

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, NOVEMBER 10, 1932

LLOYDS INSURANCE COMPANY

of America

75 Maiden Lane, New York City

FINANCIAL STATEMENT

Resulting from official examination, as of December 31, 1931, of the

LLOYDS CASUALTY COMPANY

By the New York Insurance Department

CONSTITUTION INDEMNITY COMPANY

By the Pennsylvania Insurance Department

DETROIT FIDELITY & SURETY COMPANY

By the Michigan Insurance Department

ASSETS

Real Estate	\$ 1,309,374.21
Mortgage Loans on Real Estate	1,084,088.78
Collateral Loans	6,000.00
Bonds (Convention Value)	5,443,043.37
Stocks (Convention Value)	1,761,815.43
Cash in Office and Banks	380,689.27
Premiums in Course of Collection (Not over ninety days due)	1,649,351.85
Accounts Receivable	39,274.19
Reinsurance Recoverable	213,297.88
Interests and Rents Due and Accrued	156,727.09
Cash Salvage Recovered on Paid Claims since December 31, 1931	139,527.08
Salvage Recoverable on Paid Claims December 31, 1931	192,255.11
Advances on Contracts	2,479.34
Workmen's Compensation Reinsurance Bureau	13,516.81
Total	\$12,391,440.41

LIABILITIES

Outstanding Loss and Loss Expense Reserve	\$ 4,920,935.01
Unearned Premium Reserve	2,620,233.20
Commission Reserve	349,027.41
Taxes and All Other Expenses	259,811.93
Due for Borrowed Money	77,000.00
Reserve for Depreciation of Securities	1,164,432.86
VOLUNTARY CONTINGENT RESERVE	500,000.00
Capital	\$1,000,000.00
Net Surplus	1,500,000.00
SURPLUS TO POLICYHOLDERS	2,500,000.00
Total	\$12,391,440.41

"Is it . . .
a GOOD Company?"

TODAY, this is the first question thoughtful men and women ask about the companies in which you, their agent, propose to place their insurance. The selection was once left entirely to the agent; now he must sell the company as well as the insurance. Nor does this indicate lack of confidence in his judgment. It is nothing more than the natural reaction of persons whose experience these last three years has taught them not to take too much for granted.

As an Aetna agent you can answer, "Certainly, it is a good company" and you can prove it.



ÆTNA INSURANCE COMPANY
Hartford, Connecticut

POLICY PETE: WELL PROVISIONED!



THE HOME

59 MAIDEN LANE

INSURANCE
COMPANY

NEW YORK

NEW YORK, N. Y.

ORGANIZED 1853

Strength

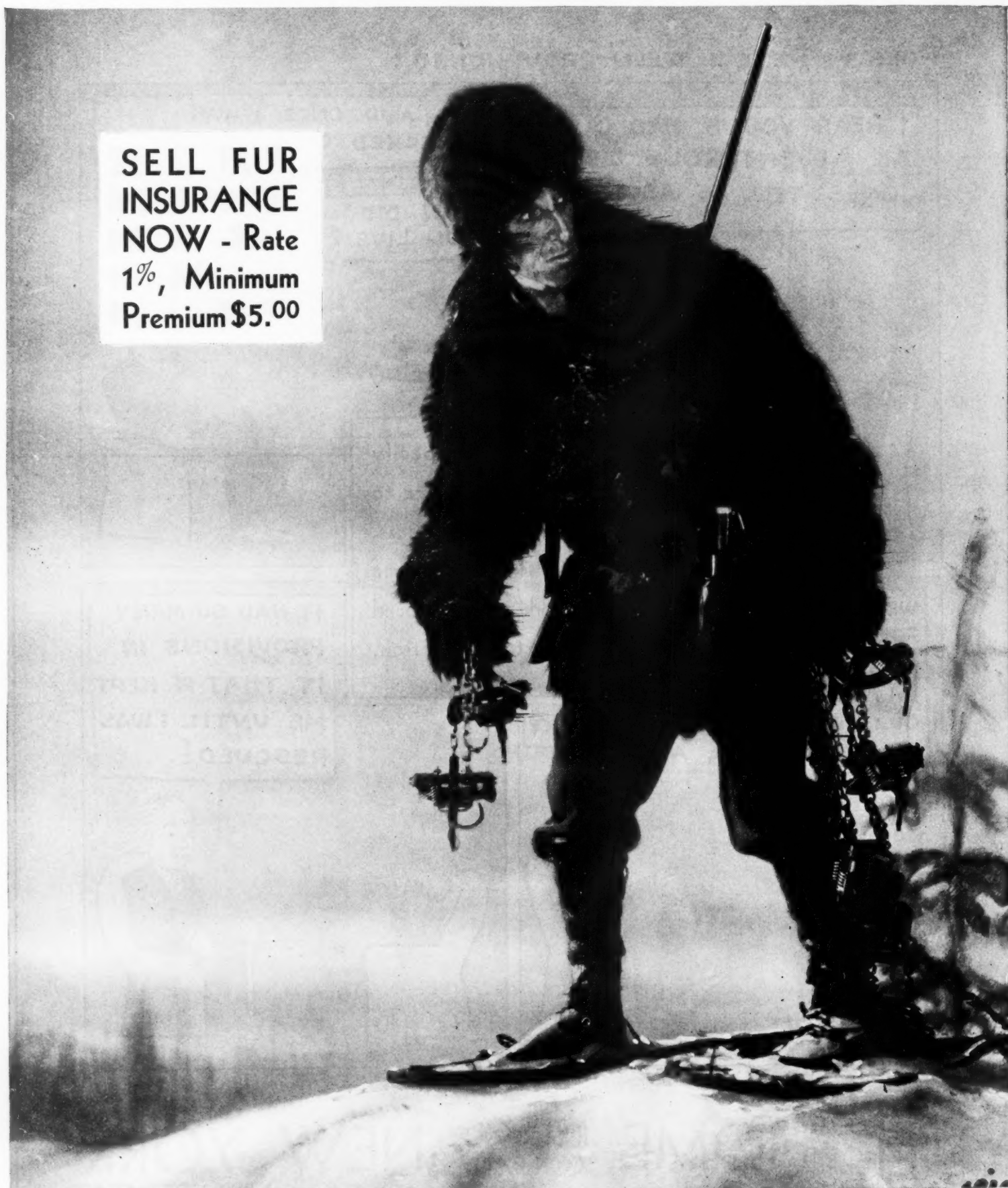
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Reputation

« »

Service

**SELL FUR
INSURANCE
NOW - Rate
1%, Minimum
Premium \$5.00**



The AMERICA FORE GROUP of Insurance Companies

THE CONTINENTAL INSURANCE COMPANY FIDELITY-PHENIX FIRE INSURANCE COMPANY NIAGARA FIRE INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY FIRST AMERICAN FIRE INSURANCE COMPANY MARYLAND INSURANCE COMPANY OF DELAWARE

Eighty Maiden Lane,

THE FIDELITY AND CASUALTY COMPANY

New York, N.Y.

ERNEST STURM, Chairman of the Board
BERNARD M. CULVER, President
ERNEST STURM, Chairman of the Board
WADE FETZER, Vice Chairman
BERNARD M. CULVER, President

NEW YORK

CHICAGO

SAN FRANCISCO

ATLANTA

DALLAS

MONTREAL

The National Underwriter

Thirty-Sixth Year No. 45

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, NOVEMBER 10, 1932

\$4.00 Per Year, 20 Cents a Copy

Executive Group's Progress Related

President Paul Haid Speaks to Large New England Gathering

SEEK BALANCED BUDGETS

Companies Cut Expenses Three Million—Develop Agents' Confidence—Upward Rate Adjustments Needed

BOSTON, Nov. 9.—Paul L. Haid, president Insurance Executives Association, explained to 500 leading fire insurance men of Boston and New England last week the aims and purposes of the organization which he heads. It was his first appearance in this city and he was given a most flattering reception as the guest speaker of the Bay State Club, composed of special agents in eastern Massachusetts.

President Harold R. Hatch of the club presided. Cordial greetings were extended Mr. Haid by President Samuel B. Reed of the Boston Board of Fire Underwriters; Vice-President Kenneth H. Erskine of the Insurance Society of Massachusetts; President Everett S. Litchfield of the Insurance Brokers Association of Massachusetts; President C. Hiram Senter of the New England Insurance Exchange and Commissioner Merton L. Brown. Thomas C. Cheney, president of the New England Advisory Board, introduced Mr. Haid.

Three Principal Aims

President Haid discussed three principal aims of the Executives Association: cooperation for fair play, honest competition and elimination of bad practices between fire companies; uniformity of policy forms and the elimination of superfluous clauses, and a study of state laws affecting insurance and a campaign for the protection of the rights of the companies under the law. "The companies came to a realization that competitive conditions and lack of good faith among themselves, as well as a lack of good spirit of cooperation, could but bring disaster," said Mr. Haid. "The Insurance Executives Association was therefore formed out of necessity but with the same definite purpose and same determination to play the game fairly as if formed under a different set of conditions."

Budget to Balance

It was significant, said the speaker, that the first official act was to form a joint conference committee with the National Association of Insurance Agents to discuss company-agent relations, the first meeting had been held and the results were most gratifying. Company executives cannot accomplish much without the confidence and support of the field men and agents who are the greatest force in the aim to bring about

Divorce of Company and Agency Funds Is Sought

NEW YORK, Nov. 9.—While here and there throughout the country an agency can be found that maintains two separate bank accounts, one for handling its personal funds and the other reserved strictly for money belonging to the companies, the great majority of local men have but one account, into which all receipts of the office are deposited and from which checks for any desired purpose are drawn. This failure to differentiate between money paid as premiums, and hence the property of the companies, and that belonging to the agent personally, has been a source of endless trouble and has been largely responsible for the serious plight in which many agencies found themselves the past two years, and from which a number were unable to escape.

The older generation of company men recall with regret the passing of the days when premiums collected by agencies were promptly remitted to each company entitled to them, instead of the present general practice of paying from a common fund the balance due whatever office in the agency is most insistent in collecting.

First Move Made in West

The imperative need for reform in the vital matter of collecting agency balances within due dates, and of agents maintaining separate bank accounts for premium receipts, was first recognized

by managers in the west. At least a practical means for meeting the situation was initiated in that territory. As the result of a series of conferences by western managers, a form of agency agreement was prepared, the cardinal points in which are that premium collections are to be treated as trust funds, and as such deposited in a special account, and that balances are to be remitted when due. It was hoped the agreement would be adopted by the governing organizations in other sections as well as in the west, and application of the form thereby become country-wide. The matter has been under consideration by a special committee of the Eastern Underwriters Association for some months, but so far no action has been taken on it.

Agents' Leaders Recognize Need

Leaders in local agency circles as well as company officials appreciate that if companies are to pay losses and meet their other obligations they must receive premiums in proper season. President C. L. Gandy of the National Association of Insurance Agents stressed that fact in his recent addresses in the New England states. More recently Superintendent Van Schaick of New York has spoken to the same effect. While his talk was directed primarily to brokers, what Mr. Van Schaick said applies equally to local agents.

Action to Thwart Overhead Writing Outlined by Gandy

MONTGOMERY, ALA., Nov. 9.—In recognition of his recent elevation to the presidency of the National Association of Insurance Agents, Charles L. Gandy, Birmingham, last week was tendered a banquet here by the Montgomery Real Estate & Insurance Exchange.

Mr. Gandy spoke on the obligations the companies owe the agents. He maintained the agent should insist on the soundness of an indemnity sold to a customer; the agents should demand that the companies respect their territorial rights and "not transact business over our heads." The agents, he said, have no idea how much of this overhead writing is going on direct from the company without an agent obtaining any commission. A complete file of such cases is going to be made, he said, and it is going to be his privilege to go to New York and place these policies on the desks of the companies. He also scored the production branch office which he declared to be "a threatening, devastating cloud hanging over our heads." He asked what right a company has to maintain such an office dealing direct with the customer.

Mr. Gandy urged agents always to deal fairly with the public as the purchaser of insurance gets his impression

Auto Premiums in 15 Percent Slump

Fire Company Officials Estimate Reduction May Be Even Greater

CLAIMS A CONSOLATION

Fewer New Car Sales and Lower Values Primary Factors in Lesser Income for Year

NEW YORK, Nov. 9.—Automobile premiums of fire companies, as on other lines, are likely to show a marked reduction when results are tabulated. Managers generally predict that the income from the class in 1932 will be at least 15 percent below the figure for the preceding 12 months, nor would they be surprised if the shrinkage was as high as 18 percent.

The drop in income is not confined to any special section of the country, but applies to all. The aggregate income of associated stock companies from automobile insurance in 1931 in round figures was \$60,000,000. Non-affiliated stock institutions, mutuals and reciprocals, it is figured, collected an added \$25,000,000, furnishing a total premium income for fire, theft, collision and property damage covers to fire offices of about \$85,000,000.

Causes of the Slump

The two primary causes for the decrease in income this year are: first, inability on the part of many people to purchase new cars, and again, the reduced insurance values of machines in use. To such an extent has the latter element entered the picture that many car owners, when apprised of the relatively small amount of indemnity the companies would be willing to write upon their automobiles, decided to dispense with indemnity altogether, concluding to assume the risk of loss themselves rather than pay even the modest premium involved.

The same reasons responsible for the drop in premium income this year make for improvement in the loss situation. Virtually all companies state claims both for fire and theft losses are far less numerous than 12 months ago, so that even on a reduced income offices generally promise to wind up the year with a profit on their motor business.

(CONTINUED ON LAST PAGE)

of the company through the agent. An agent, he stated, should justify the rate he is charging or get it reduced, and for that reason he should familiarize himself thoroughly with loss ratios. He also pronounced it the duty of agents to take an interest in conservation, both as to property and life. The National association, he asserted, has mapped out a conservation program to save millions of dollars.

Problems of Reciprocals Today Analyzed by Pierce

FIELD CLUB HEARS ADDRESS

Withdrawal of Subscribers and Its Effect on Assets Plus Declining Rates Worry Exchanges

NEW YORK, Nov. 9.—Mutual and reciprocal competition was analyzed by C. W. Pierce, vice-president of the America Fore companies in an address Monday before the Suburban New York Field Club, in Brooklyn. Stock companies, he said, have little knowledge of the real nature of reciprocal operations and are not equipped to combat competition intelligently.

Mr. Pierce cited the authority vested in the power of attorney, stating that great latitude is given the attorneys to make contracts subject to such terms as they may deem proper and to change or modify these as they desire. An attorney has the power to compromise and settle losses, he can appoint deputies and assign powers to them. Mr. Pierce stressed the fact that in a reciprocal there are no common funds from which expenses and losses can be paid.

There are three problems facing reciprocals today, he said. There is a withdrawal of subscribers, a natural result of the depression. This has an effect on assets, which depend upon the number of subscribers, and they are hit by the constant lowering of rate levels.

Why Stock Insurance

Mr. Pierce said it is good business to purchase stock insurance because none of the risks of a business with which the insured is unfamiliar are assumed.

The services are available of a competent agent, who sees that the contracts are correctly written, the coverage complete and the needs carefully analyzed and protected, Mr. Pierce said.

The cost is fixed, fair and known in advance.

Invested capital of stock companies works to protect the capital invested in the policyholder's business, whether the purchaser be employer or employee, he said.

It is good business, according to Mr. Pierce, to secure insurance locally and thereby support the principle of local enterprise and it is good business to have promptly available in case of claim the services of a competent agent.

Until salesmen bring their arguments for stock insurance up to a real standard and not "down to a price" the question of mutual competition will be a pressing one, Mr. Pierce declared.

Texas Regional Meetings

Regional meetings scheduled by the Texas Association of Insurance Agents are: Nov. 10, Mt. Pleasant; Nov. 15, Wichita Falls; Nov. 16, Amarillo; Nov. 17, Lubbock; Nov. 22, Port Arthur; Dec. 6, Coleman; Dec. 7, San Antonio; Dec. 8, Austin; Dec. 8, Brownsville; Dec. 14, Eastland; Dec. 16, Waco. A meeting for district 6 is now under consideration and will be in December, if held, at either El Paso or Pecos.

New Firm Is Formed

Following the death of Abe Brown of Sol Moyses & Co. of Chattanooga, composed of Mr. Brown and Herbert Oppenheim, a new partnership has been formed, consisting of the estate of Abe Brown, Millie Moyses Brown, Mrs. Nora Oppenheim, and Herbert Oppenheim as managing partner, operating under the name of Sol Moyses & Co. This agency has been in business the past 44 years, and represents the following companies: Great American, Sun, American Eagle, Citizens, Sentinel, Fireman's Fund, National of Hartford, National Union and Fidelity & Casualty.

Master Policies Under Eye of the New York Department

In the testimony taken by the New York insurance department in S. B. Hopps' application for a license as general agent of the Pearl, much attention was given to so-called master policies. The department records show that the National Union was originally charged with having issued 78 policies in violation of rating organization rules but that 44 were dropped for the reason that evidence of any New York state risk being covered was not produced. Under the new management the National Union cleared up all these contracts that were criticized.

Special attention was given in the department hearing to the Pittston Company on which W. D. Callaghan of Cleveland was the broker. This policy covered the interests of the Stevens Fuel Company, Wakefield Coal Supply Company, Locke Coal Company, Metropolitan Coal Company, and Pratt Coal Company under a master policy. This was canceled by the National Union in May, 1931.

Special inquiry was also directed to the New York shoe firm of I. Miller & Sons, Klein, Chapman & Co., a New

York brokerage firm, which seems to have been involved in a reinsurance transaction with C. E. Heath & Co. of Lloyds London in which reinsurance was effected at 40 percent of the original gross rate.

Other firms named in the hearings were as follows: United Parcels Service Co. of N. Y., Schenley Products Company, Aluminum Company of America, Schwarzenbach & Huber, Bendix Aviation Corporation, E. T. Cunningham, Inc., Shell Eastern Petroleum Company, American Fruit Growers, New England Waste Company, Browning King Company, Charles Stores, Inc., Super Maid Cooke Wear Corporation, Pierce Butler & Pierce, Phillip Morris Company, American Tobacco Company and President Court Corporation.

The New York department evidently is making careful scrutiny into the master policy methods. Those in a position to express an opinion say that the state authorities will probably place restriction on the issuance of such policies in the future. Objection has been made to the fact that in country-wide schedules policies might be issued at the regular tariff rates for a considerable part of the insurable value and then a master policy form issued for \$1 and other valuable consideration.

Rating Organization Plan Is Shaping in Philadelphia

Approval of the plan prepared by a committee of company managers headed by Vice-president John Kremer of the North America having been given by virtually all fire companies operating in Pennsylvania, Delaware and Maryland, a meeting to organize the middle department rating organization will be held in Philadelphia, Nov. 22. The new program when effective will replace the four separate rating bodies now existing in Pennsylvania, thereby not only effecting a substantial saving in costs to the contributing companies, but avoiding duplication of effort and conflicting regulations. The change will bring the state into line with New York and other progressive commonwealths in centralizing rating control with one body.

Mountain Field Club Meets

DENVER, Nov. 9.—Action on a contract form for companies and agents was side tracked by the Mountain Field Club at its Monday meeting when the subject was referred to the governing committee. It is believed that this in effect tabled the measure.

Support of the Underwriters Salvage Co. was urged by President A. J. Lehwaldt of the club. He praised the record of Fred L. Henkel, state agent of the Underwriters Salvage.

Rule 2 of the field club on delinquent agents was discussed by Frederic Williams, secretary Rocky Mountain Fire Underwriters Association, who called attention to the new features recently added by the supervisory committee.

Modification Granted in Ohio Cancellation Rule

SESSION HELD IN COLUMBUS

Change Made to Permit Pro Rata Cancellation for Non-Payment Without Company's Order

A slight modification has been made in the Ohio cancellation rule which recently attracted national attention. The rule included a provision that a policy could be canceled pro rata only on the order of the company issuing it except in a special case. This part of the rule has been virtually withdrawn by an announcement that it will not be necessary to have the order of the company issuing the policy in order to put through a pro rata cancellation of a policy contract.

This change does not modify in the slightest the principal part of the new cancellation rule which permits a pro rata return premium by endorsement only when a reduction in rate is due either to improvements resulting from expenditures by the insured or a material change in hazard, all certified by the Ohio Inspection Bureau. Objection arose to the part of the rule now changed because agents, when called upon to cancel for non-payment or other reasons, were forced to cancel pro rata except when they obtained a cancellation endorsement by the company. What was really happening was that the agents were endorsing such cancellations as ordered by the company, and canceling pro rata, so that the announced changes in the rules merely legalize what was already going on. This slight modification removes all agency objection to the entire cancellation rule, leading Ohio agents say.

Other Objections Cited

It is known that representative agents of the state have called to the attention of the Ohio Inspection Bureau other rules of the new series recently issued to which there is some objection. While the bureau has made this modification in the cancellation rule, it is not expected that additional changes will be made, at least for some time.

A meeting of agents from a number of Ohio cities with bureau representatives was held in Columbus for discussion of the cancellation rule and other questions. The bureau people took the position that the cancellation rule is an agent's and not the bureau's rule, and that the agents should compare their own differences of opinion about it. The bureau men at that time indicated that the bureau was not interested in preventing pro rata cancellation for non-payment of premium; that this was a question for the companies to decide.

Fireman's Fund Group Figures

Statements of the Fireman's Fund group as of Oct. 1, based on amortized value of bonds and market values of stocks, reveal these assets and policyholders' surpluses for each of the companies: Fireman's Fund \$31,616,526, \$15,761,995; Home Fire & Marine \$5,465,516, \$2,713,945; Occidental \$3,718,891, \$2,812,665; Fireman's Fund Indemnity \$4,870,399, \$2,901,000; Occidental Indemnity \$2,230,803, \$1,223,173.

Hearing on Wisconsin Revision

MADISON, WIS., Nov. 9.—Commissioner Mortensen today announced a hearing on revision of the Wisconsin standard fire policy here on Nov. 15. The revision is in accordance with 1931 legislative resolution. Companies, agents and adjusters are invited to appear.

The Rock Run Township Mutual Fire of Rock City, Stephenson county, has been licensed by the Illinois department.

THE WEEK IN INSURANCE

Progress of the Insurance Executives Association told by President Paul L. Haid in Boston talk. **Page 3**

Failure of agents to maintain separate bank accounts for company funds held responsible for many difficulties that have developed. **Page 3**

Slump in automobile fire premiums for year estimated between 15 and 18 percent; claim situation is consoling. **Page 3**

Master policies under investigation by New York department in Hopps license case. **Page 4**

Modification made in new Ohio cancellation rule, which has attracted nation-wide attention. **Page 4**

Western Manager S. M. Buck of the Fireman's Fund, in his talk before the Tennessee local agents, points out some of the intrinsic values that make for success. **Page 5**

Insurance companies writing medical reimbursement benefits desire to get a ruling from the National Convention of Insurance Commissioners as to the proper clause. **Page 25**

P. Tecumseh Sherman of New York, noted casualty insurance expert and attorney, briefs fundamentals of ideal occupational disease statute in opinion rendered to Illinois labor department in behalf of Casualty & Surety Executives Association. **Page 27**

C. W. Pierce, vice-president of the America Fore group, spoke before the Suburban Field Club of New York on mutual and reciprocal competition. **Page 4**

H. P. Jackson, president Bankers Indemnity, makes strong plea for immediate adoption of the 1932 workmen's compensation rate program. **Page 25**

President O'Neill of Royal Indemnity suggests mileage basis for rating automobile liability coverage, but notes several objections. **Page 27**

Commissioner Livingston says he will back move for Michigan compensation bureau to better conditions. **Page 26**

Agency Field Supervisor Egloff of the Travelers, in a talk before the casualty and fire school of Detroit tells about the part casualty insurance has taken in the development of industry. **Page 27**

Jesse S. Phillips, president of the Great American Indemnity, becomes chairman of the board and is elected a vice-president of the Great American Fire and its affiliated companies, taking charge of the public relations of the entire group. **Page 30**

Joint meeting of National Association of Mutual Casualty Companies and National Association of Automotive Mutual Insurance Companies is held at White Sulphur Springs. **Page 26**

New Jersey supreme court sustains \$68,000 judgment to heirs of six victims of trimotor airplane crash in Newark in 1929. **Page 28**

Intangible Gifts Back of Success

Manager S. M. Buck of the Fireman's Fund Deals with Character Values

LESSONS LEARNED TODAY

Some Essential Attributes That Agents Should Possess to Insure Satisfactory Achievements

Western Manager S. M. Buck of the Fireman's Fund group at Chicago in his talk before the Tennessee Association of Insurance Agents this week on "Concerning Values—Actual and Potential" said that more attention has been paid to physical values during the last three years than any other similar period. Mr. Buck, however, did not treat at length physical values because he mentioned others of a more intangible nature which must be possessed by every successful individual engaged in insurance. These cannot be bought by money but are acquired by individual, conscientious and consistent effort.

Use of Retrospection

The first value he mentioned was "Retrospection." He said it is of great value to review the depressions of the past

Mr. Buck in his address referred to intrinsic values that he felt should be possessed by agents who hope to succeed. He recounted these as follows: Retrospection, faith in one's business, confidence, study, cooperation, selection and preservation of credit.

to find some sort of standard measure for the times through which the country is now passing. During the last three years all business has undergone a drastic housecleaning. Those who are carrying on today have stood the test as did the survivors of financial cyclones in the past. A knowledge of the vicissitudes of the past shows those of the present how to overcome obstacles.

The next value he referred to was "faith in your business." He said fire insurance has stood up while the great banking system has failed to perform its full functions. The insurance business, he said, should not be judged by a year or two of profit or loss. The unprecedented record of insurance companies, he contended, should inspire undaunted faith in all who represent them.

Value of Confidence

The next virtue that Mr. Buck mentioned was "Confidence." Premiums have gone down and business is badly off. Accompanying this realization is often heard the expression that the insurance agent may be ground under the wheels. Mr. Buck said the country has never experienced a time when there were greater potential opportunities or when the forces of science and invention were as active as today. Periods of stress, he asserted, always cause an increase in the effort to develop short cuts and create new things. He does not think there is any justification for the pessimistic view that the business of the agents or the companies is doomed. The world's work, he said, is far from being finished.

The next attribute, according to Mr. Buck, is "Study." He said that to be

Corpus Christi to Get 1933 Texas Agents Convention

At the meeting of the directors of the Texas Association of Insurance Agents Corpus Christi was selected as the convention city for the 1933 annual convention. A definite date has not yet been set but the convention will probably be held either the latter part of May or the first week in June. Meredith Queen, a member of the board and president of the Corpus Christi Insurance Exchange, extended the invitation for the Corpus Christi agents.

At the meeting of directors there was authorized for submission at the next annual convention an amendment to the by-laws providing that local agents representing stock companies only be eligible for membership.

successful, agents must get down to hard work and prepare themselves for creative endeavor. The lessons of salesmanship must be mastered and applied to insurance.

Mr. Buck said, "To do creative work an agent must know his contracts thoroughly, their provisions, their limitations and prohibitions. He must be able to program a man's insurance needs and out of his kit take forms of cover that will fit the individual case. He should give a prospective assured a perfect picture of what hazards are confronting him and what can be done to indemnify him against their ravages in case they materialized. He must not only be a specialist but a general practitioner of insurance."

Cooperation Is a Factor

"Cooperation" was the next factor that Mr. Buck considers essential to success. He referred especially to the addresses of Insurance Commissioner Livingston of Michigan and President Haid of the Insurance Executive Association before the National Association of Insurance Agents at Philadelphia at which this subject was treated at length. Mr. Buck counts these addresses as masterpieces. He complimented Mr. Haid on pointing out three phases of cooperation necessary to insurance, viz., cooperation among agents, among companies and among companies and agents. With the advent of the Insurance Executives Association he feels that the agents will have an avenue through which they can travel to company executives and talk over with them mutual problems.

Need of Selection of Risks

Mr. Buck next referred to "Selection" as an endowment greatly to be desired. Moral hazard, he said, is likely to develop when money is scarce. The agents today, he said, should exercise the greatest care in the selection of risks. Over-insurance is found on many hands. Every renewal and new risk, he said, should be thoroughly analyzed and the amount of insurance reduced per value of insurance. There should be no possibility to create a condition where the policyholder derives a profit from his insurance. The function of insurance is that of indemnity and not of profit, he added.

Preservation of Credit

Another tool in the kit of local agents which should be often employed is the "Preservation of Credit." An agent or a corporation must take in more money than it pays out in order to succeed. He called attention to the fact that in a short time companies will have to be making up their annual statements. Balances outstanding over 90 days old cannot be entered as admitted assets. He emphasized the value of agents preserving their credit with their companies and of perpetuating their record in fulfilling their obligations to the public.

Mr. Buck's peroration was devoted to some of the simpler values of life. He said:

"More than one person has been

New Furriers Customers System Too Complicated, Is Criticism

R. L. Muckley, Chicago broker, who specializes in furriers customers policies, having more than 100 on the books, has been carrying on a correspondence with marine departments criticizing the recently instituted fur coverage plan. He feels that the system is too complicated and that what is needed is a single premium plan. He writes:

"We are anxious to have the Inland Marine Underwriters' Association adopt as optional or compulsory, a single premium plan for the issuance of certificates by furriers on their customers' furs. We believe this would be an improvement over the present system of fixing a 50 cent rate on the issuance of a certificate and then attempting to collect an additional charge when and if the coats are returned for storage, six or eight months later.

"I do not wish to criticize the underwriting principles of the new rating system—a uniform exterior coverage charge of 50 cents, with a loading for the storage risk dependent upon the actual protection provided by each furrier (from 5 cents to 10 cents per \$100 per month). I wonder, however, if the new system is not rather more complex than a consideration of the data necessitates. Every business is anxious to reduce detailed labor, to smooth out day to day differences as much as is consistent with accuracy. It happens that the storage season is well defined and covers the same period year after year with surprising regularity.

Suggests a Plan

"I wish to suggest a plan which would simplify the furriers' certificate insurance by taking advantage of these conditions. To be specific, I suggest that an option be given the furrier of paying in advance when the certificate is issued, a charge for the storage term equal to five times the estimated monthly charge, this to be added to the 50 cent charge and quoted as a single yearly rate for the certificate. Thus if the storage rate quoted by the I. M. U. A. is 5 cents per \$100 per month, the company's charge for certificate insurance would be quoted as 75 cents for a certificate to cover the full year, in or out of storage.

"The insurance companies, on one hand, would receive their storage insurance charges six to eight months in advance. They would have that extra premium to apply on losses. On the other hand, the furrier would know exactly his obligation and so plan its discharge, in lieu of finding himself required by the company to pay a large additional sum at a much later date, and for which he may not have made provision. You

forced to rediscover that amid all the follies of the human race the sun shines, the rain falls, the wind makes the same music in the trees. These simple things were pushed into the background during our recent attack of insanity. We confused movement with progress; we deliberately forgot that there are eternal simple values in the world for which there are no substitutes; that no matter how far or how fast we may run we do not escape ourselves and that these selves cannot be satisfied by making our lives more complex.

"My sincere hope is that you, as agents, will not find it difficult to accumulate a diversified portfolio of these and all the other real values of life; values that are worth a hundred cents on the dollar every day in the year, regardless of the action of the stock market; values that are unaffected by the coinsurance clause or the three-fourths value clause; values in exchange for which you will receive unbounded happiness, contentment and a full measure of prosperity."

may say the furrier knows he must pay the extra premium, but furriers do not have the complex accounting system of setting up reserves as do insurance companies, and are practically certain to use any extra charge originally made the customer, to pay current expenses. They will resent being called upon for a second large payment. They pay all other premiums in one sum for year-round policies.

Part of Storage Premiums Lost

"We have estimated from actual reports of several firms that only 85 percent of the furs insured under certificates are returned for storage. Therefore, 15 percent of the storage premiums would be entirely lost to the companies unless collected in advance. You cannot void a certificate if the fur is not returned to storage, so the company would be granting year-round coverage for 50 cents.

"A further 15 percent must be deducted from the expected storage return because of depreciation. No furrier will report a value in excess of the actual value of furs in his possession. The companies have repeatedly made it plain that a 15 percent reduction will be made for a year's wear, and all certificate coats will have had that year's wear when returned to the furrier. Naturally he will not report a sum in excess of the company's own valuation.

Effect of Deductions

"Add to these deductions the inevitable tendency to cut costs by keeping down reports of values, and a further 5 percent for company bookkeeping costs and lack of use of the money in advance, and you have a full 35 percent or 40 percent loss to the companies.

"In my opinion, the tendency will be to force the company's premium closer and closer to the original 50 cents by the deductions noted above; by competition between furriers; and by the possibility of the introduction of the idea of customers insuring only while their garments are being worn, and relying upon the furrier's excellent vault protection to prevent loss from his premises. The monthly reporting plan puts a premium on the furrier's not getting certificate coats in storage until as late as possible. This increases the hazards, as practically all losses occur while the customer has the furs; and furthermore reduces the company's premium.

Desire to Eliminate Waste


"Lastly, this is not an opportune time to introduce radical changes involving additional bookkeeping and record making. Everywhere there is a desire to eliminate waste. While an insurance company whose business is almost entirely bookkeeping and accounting may not see much added labor for the furrier in requiring reports on certificate coats, the furrier is primarily a fur merchant and knows such a plan will add greatly to the time and money required to continue the certificate plan. His storage comes in rapidly over a short period. He is busily engaged in making estimates, endeavoring to secure remodeling or repair jobs from more customers than he can devote his full time to. Any added labor of checking and entering values is a great burden. A fixed charge in advance for the storage term, as respects certificate coats, would actually increase the premiums ultimately paid insurance companies, and reduce labor all around."

W. A. Munns of Philadelphia has been made manager of the Sussex Fire in that city. He was formerly manager of the Public Fire and prior to that the Independence Fire.

THE SATURDAY EVENING POST

35

IF I'D ONLY HAD INSURANCE AGAINST..



FIRE
THEFT
FLOOD
COLLISION
LIGHTNING
EXPLOSION
WINDSTORM

Every day some automobilist is caught without insurance against the very disaster that overtakes him. The sure way to circumvent Fate is to protect yourself against loss or damage to your own car from EVERY INSURABLE CAUSE. Expensive? Not to the responsible, careful driver who can confidently assume petty losses himself and really needs insurance only against substantial losses. The Alliance Comprehensive "All-Risks" Policy is an economical opportunity to obtain broad coverage at a reduced cost.

Ask your

ALLIANCE

Written on the back of a figure which largely spending capacity of the York. First, there is the of assessed valuations, 000,764. That is desired sum that would change parcel of New York real to be sold by a willing ing buyer. A part of 750—represents property taxation. Even so, the Still, if you had that mis be doomed to increase tren value would increase ten if every real-estate agent were in your employ. growth of values is a sort solvent concern decide Last year saw a shrink of all sorts of commodi erty, including real es real estate of New Y worth \$603,000,000 more \$1,070,000,000 more th normal increase since 1 excess of a billion dollar \$1,542,000,000 in 1927 question, I think, the is producing organism on the creation of the whole of which are paid for by tax on this land in 1931 was on the building itself was not until this year, because it was to give it tax exemption for This year its owners will pay sum into the city's revenues various forms of protection other municipal services which building's tenants enjoy. Would building be worth as much as the at which it is appraised if it were the subways which have been with funds of the city? Would adequate supply of water, if were no sewers and if there were streets on three sides of it? Would it would not be worth the price of materials in it if it were not a pe the organism into which it has its foundation roots. The great of land values in New York to be accounted for by innu factors, but when you say "you have said it all. The of its people are responsible tremendous development in values. The tunnels dug ac rivers, the bridges driven teachers, health officers, a street cleaner, all contribut values.

Big Taxes on Big Bu
Biggest tax paid by

A new note in advertising the Comprehensive Automobile Policy to stimulate business for the Alliance Agent.



THE ALLIANCE INSURANCE COMPANY OF PHILADELPHIA

Head Office: 1600 Arch Street, Philadelphia

CHICAGO
209 W. Jackson Blvd.

SAN FRANCISCO
231 Sansome Street

NEWS OF THE COMPANIES

Percentages of Investments

Interesting Analysis Made of the Boston and Old Colony Figures as of Oct. 1

The Boston and Old Colony have issued a statement based on actual market values as of Oct. 1, giving in percentage form the character of their investments. There is 30.17 percent in federal government, state, county and municipal bonds and cash; 37 in foreign government bonds, 1.69 in Canadian provincial and municipal bonds; 9.14 in railroad bonds; 8.72 in public utility and 3.61 miscellaneous, making 53.70 or \$9,088,952 in bonds. They have 6.80 per cent in preferred stocks, 2.04 in guaranteed railroad stocks making 8.84 or \$1,642,497. The companies have 2.45 in railroads, 8.42 in public utilities, 8.81 in banks and 10.02 in miscellaneous stocks, making the investment in common stocks 29.70 or \$5,525,208. The companies own 7.76 or \$1,442,430 in real estate and mortgages. The largest individual investment in common stock is \$211,968 in the National Biscuit Company. There is \$140,062 in Standard Oil Company of New Jersey, and \$138,756 in the General Electric.

The Boston owns over 96 percent of the stock of the Old Colony.

To Have Permanent Receiver for Great National Company

Judge Cox of the District of Columbia supreme court has announced he will appoint a permanent receiver for the Great National of Washington, D. C., which was merged with the National Fidelity Fire in 1931 and later transferred its office to Newark, N. J. Last December a temporary receiver was appointed. At the hearing testimony was presented showing that the assets had been converted into securities of doubtful value. Insurance Superintendent Davis of the District of Columbia testified that he had asked for restitution from persons in Baltimore, who it was alleged, had been responsible for this switching of securities but his order had not been complied with.

Special Meeting Is Called by North American Concern

The North American Inter-Insurers of New York City has called a special meeting for Thursday of this week. It is stated that while the exchange is solvent, its premium income has been vitally affected in more recent years by the economic conditions. It is stated that it will consider consolidation with some other reciprocal or will liquidate. It started business on April 9, 1892, as the North American Lloyds. Its policyholders are almost entirely business houses in large cities, it having on Dec. 31, 1930 such. It has assets \$876,873, premium reserve \$106,643, surplus \$768,012. It writes only on approved sprinklered risks, usually dry goods, department stores and mercantile establishments.

Benedict & Benedict, the managers, are leading brokers in New York City and have been prominent agents in Brooklyn as well. There have been withdrawals from the accumulated surplus by a number of subscribers which reduced its funds and also compelled a reduction in its lines.

American Standard's New Lineup

OKLAHOMA CITY, Nov. 9.—Following the resignation of Norman Nelson as president of the American Standard of this city, J. A. Ingram, Shawnee,

capitalist and operator of a chain of drug stores, was chosen to succeed him. Dr. W. J. Wallace of Oklahoma City was named vice-president. E. L. McIlvain, for 14 years with the Phoenix of Hartford group at Topeka, Kan., and more recently with the Retailers Fire here, is secretary. George M. Nicholson, former supreme court justice, continues as chairman of the board. Other directors are H. T. Wolfe, Bristow; W. M. Smith, Lawton local agent; Norman Nelson, now operating a general agency here for the Commercial Standard of Dallas; H. W. Carver, Wewoka; T. H. Vaughn, Oklahoma City, and Dr. G. L. Johnson, Pauls Valley.

McElroy Named to New Post

KANSAS CITY, MO., Nov. 9.—Morton T. Jones, president of the Kansas City Fire & Marine, has announced the creation of the office of assistant vice-president and the appointment of H. F. McElroy, Jr., son of the city manager of Kansas City, to fill the post. His duties will deal mainly with public relations. He will address various civic organizations in Kansas City and the southwest in the interests of stock fire insurance, stressing the work of the National Board and what the stock fire companies do to prevent fires, through the inspection of public institutions such as schools and hospitals. He also will solicit leading industrial firms.

Tharp Takes New Post

C. F. Tharp, formerly state agent in Ohio for the Public Fire of Newark, is now with the Lumbermen's Mutual of Mansfield, O., as manager of its improved risk mutuals department.

INSURANCE STOCK QUOTATIONS

By H. W. Cornelius, Bacon, Whipple & Co., 112 W. Adams St., Chicago
As of Nov. 7

Stock	Par	Div. per Share	Bid	Asked
Aetna Cas.	10	1.60	32	34
Aetna Fire	10	2.00	28	30
Aetna Life	10	...	14	16
Amer. Alliance ..	10	...	11	12
American, N. J. .	2.50	.50	7	7 1/2
Amer. Surety ...	25	...	12	13
Automobile, Conn.	10	1.00	12	14
Baltimore Amer. .	2.50	...	2 1/2	3
Boston	100	16.00	320	340
Carolina	10	...	11	13
City of N. Y.	100	...	78	83
Conn. Genl.	10	1.20	33	36
Contl. Assurance	10	2.00	21	23
Continental Cas. .	5	...	7 1/2	8 1/2
Continental Ins. .	2.50	1.20	15	16
Fidel.-Phenix ...	2.50	1.20	14	15
Fireman's Fund. .	25	3.00	41	43
Fireman's F. Ind. .	10	...	15	18
Firemen's	5	.60	6 1/2	7 1/2
Fire Assn., new. .	10	.80	23	26
Glens Falls	10	1.60	27	29
Globe & Rutgers	25	...	90	95
Great Amer. Ind. .	1	...	4 1/2	5 1/2
Great American. .	5	1.00	13	14
Halifax	10	1.20	7	9
Hanover	10	1.60	21	23
Harmonia	10	1.84	7	9
Hartford Fire ...	10	2.00	35	37
Home, N. Y.	5	1.00	14	15
Hartford St. B. .	10	1.60	35	37
Home F. & M. ...	10	2.00	22	27
Homestead	10	...	6 1/2	7 1/2
Imp. & Export. .	25	...	7	11
Ins. Co. of N. A. .	10	2.00	33	35
Maryland Cas. . .	2	...	4	5
Mass. Bonding ..	25	2.00	16	19
Missouri State. .	10	...	7	8
National Cas. ...	10	.40	7	8
National Fire ...	10	2.00	35	37
National Liberty	2	...	3	4
National Surety. .	10	...	20	25
National Union. .	10	2.00	17	18
New Amst. Cas. .	10	...	8	9
New Brunswick. .	10	.80	7	7 1/2
New World	10	2.50	10	11
N. W. National. .	25	5.00	77	79
Occidental	10	...	10	13
Old Line L.	10	1.50	12	13
Pacific Mut. L. .	10	2.00	27	29
Phoenix, Conn. .	10	2.00	43	45
Prov. Wash.	10	...	15	17
Sprgfd. F. & M. .	25	4.50	62	65
St. Paul F. & M. .	25	6.00	100	102
Sun Life	100	...	250	275
Travelers	100	16.00	335	345
U. S. Fire	4	1.00	16	18
U. S. Fid. & G. .	2	...	4	5
Westch'r (new). .	2.50	1.00	13	15

AS SEEN FROM CHICAGO

PALMER HEADS RELIEF DRIVE

Ernest Palmer, manager of the Chicago Board, again this year is chairman of the insurance division of the governor's relief and unemployment fund drive. Life insurance has been given a separate division this year, headed by E. B. Dudley, manager of the Travelers in Chicago, and only fire, casualty and miscellaneous come under Mr. Palmer. Mr. Palmer and his workers have been given a quota this year of \$125,000. The campaign will start Nov. 15. Credit will be allowed this year for individual contributions of insurance men made direct.

* * *

OPENS BROKERAGE OFFICE

Western Manager Buck of the Fireman's Fund group announces that a binding office in the mid-western division headquarters of the Fireman's Fund Indemnity, A-1720 Insurance Exchange, Chicago, has been established by the group in order to facilitate the handling of brokerage business. Arthur A. Miller, who has been in its improved risk and brokerage department for some time, is in charge. This office is established for a country-wide service.

* * *

BROKERS PLAN ACTIVE YEAR

A. S. Schwartz was elected president of the Insurance Brokers Association of Chicago by the directors, succeeding F. P. Lavin, who has served nearly two terms. Mr. Schwartz immediately began a program of activities, including an effort to change the brokers' qualification law of Illinois so that it will more effectively exclude unqualified brokers, and to form a national association of insurance brokers. These two ideas have been brewing in the association for some time. J. A. Mudd, Jr., office broker with the Continental Casualty, was elected vice-president. The other officers will continue, they being Vice-presidents F. C. Bracken, Gail Read, R. S. Throop and C. E. Nolan; Secretary John Slagle and Treasurer J. C. Shepard. Mr. Schwartz states the effort to strengthen the qualification law is due to the fact that many brokers now operating with licenses are felt by the association not to be qualified. The insurance department has ably administered the law as it is, Mr. Schwartz said, but statute changes seem advisable, including

specific qualifications to confine licenses to well qualified and deserving men and women. He feels next in importance on the organization's program is formation of the national association, and the wheels have been set in motion through correspondence with the General Brokers Association of the Metropolitan District of New York City.

A number of committees were appointed, the chairmen being: Legislation, Gail Read; national association, Mr. Mudd; grievance, C. E. Berger; finance, Mr. Shepard; publicity, Mr. Bracken; companies, agents and Chicago Board conference, E. E. Mack of the Rockwood Company; membership, M. A. Goldstein and L. T. O'Brien; entertainment, C. E. Nolan; special investigation committee, L. L. Boulé; qualifications, R. S. Throop; mutual and reciprocal competition, A. J. Gallagher. The executive committee, newly created, consists of Mr. Lavin, chairman; J. P. Wohlman, J. J. Garrity, J. M. Timmons, S. L. Dickinson and M. A. Johnson. Mr. Schwartz said a national association is badly needed because of activities which threaten reduction of brokers' commissions, and also to afford a vehicle for conference and cooperation with companies and agents. He also believes the national association will be useful in setting and enforcing a standard of brokers' ethics throughout the nation and for drafting and pushing a standard brokers' qualification law for nation-wide adoption.

* * *

THREE PROPOSALS UP

A special meeting of the Chicago Board has been called for Monday to act on three proposals, for which petitions were circulated and the signatures of 80 percent of the Class 1 members obtained.

One proposal is to charge a policy fee of \$1 for insurance, the premium on which is \$15 or less. Another proposal is to increase the minimum premium requirements under the Chicago Board rules of practice from \$2 to \$3, which is the minimum required in Cook county outside of Chicago.

The third proposal is aimed at rebating. It provides that policies may not be canceled on the pro rata basis and rewritten except for the original term of the policy and for not less than the original amount. A step in this direction was taken a few months ago when the proposal was adopted not to allow cancellation pro rate and rewriting where a change of schedule was involved except for the original term and for not less than the original amount. Now this principle would be applied to rebates of all kinds.

* * *

COMPLICATIONS ARE FOUND

There are a good many complications arising where buildings have been promoted through real estate bonds. When the owners default some of the bondholders may desire to have their interests protected in case of fire while others are indifferent, feeling that the amount they have invested is lost. The owner naturally has given up the ghost and will not pay the premium. Therefore companies receive from some bondholders or trustees representing them requests to have their interests protected.

* * *

CLASS 1 RESIGNATIONS

Three Class 1 members of the Chicago Board have resigned: H. W. Murray, Adolphe C. Norden and O. W. Huncke.

* * *

LIFE MEMBERS' MEETING

The 23rd annual meeting and dinner of the Life Members Society of the Fire Underwriters Association of the Northwest will be held at the Hotel La Salle at 6:30 p. m., Nov. 15. The entertainment committee consisting of Clark J. Munn, Guy A. Richards and Holger de Roode has arranged for a pleasant

WHAT TO SAY

«»

"But, if we were to take an advertisement in your paper, what would we say? We don't have an advertising department, and even if we did have, I don't know what we could get up that would be striking or unusual"

Something of this sort is frequently said to us by officials of non-advertising companies.

The answer to this "objection" is that all any company needs to say in its advertisements is just about what its representative in the field would say to a prospective agent.

Every company has its own personality or atmosphere; its special way of doing business; its strong points or advantages. Out of the whole set-up may be extracted numerous "selling points" to be emphasized in presenting the company.

What do you tell a prospective agent when you are trying to appoint him? Do you merely suggest that it might be a good thing to represent your company or do you give him all of the reasons why?

Those reasons are what you should advertise. They are your talking points. They are what gives your company its individuality. Unless you keep on talking about them, advertising them, and making them generally known, your progress will be slow and difficult, as compared to the companies that do.

Your own agents and special agents can think of plenty of things of a favorable nature to say about your company. Surely, you have at least as much to say in your own behalf.

In order to be effective, advertising does not have to be sensational or strikingly unusual. In your advertisements just say plainly but persuasively the things there are to be said about your company. Say them regularly, sincerely and in a language that anyone can understand. If you do, you will soon find that you are building good will; that your company is becoming well and favorably known, and that new agency appointments are easier to make.

The only company which should not advertise in the insurance papers is the one which has absolutely no talking points, no personality, nothing to offer. Unless yours is such a company, you should be telling the insurance fraternity who you are, what you are, and why an agency for your particular company is advantageous and beneficial.

(Number 24 of a series devoted to the merits of National Underwriter advertising)

«»

The National Underwriter

The leading weekly insurance newspaper

E. J. WOHLGEMUTH
President



C. M. CARTWRIGHT
Managing Editor

New Chairman



HAMILTON LOEB

Hamilton Loeb of the Eliel & Loeb Co. was elected chairman of the Chicago Insurance Agents Association at the annual meeting to succeed Lyman Drake of Critchell, Miller, Whitney & Barbour. The new vice-chairman is L. D. Stitt, manager for Starkweather & Shepley in Chicago; secretary, W. M. Sheldon, manager of the fire department for W. A. Alexander & Co.; treasurer, C. H. Burras, Joyce & Co.

"Advertising is the life-blood of an Agency."

(From "The Standard," Boston, prominent insurance trade paper)

We repeat:—

"Every Agent

who intends

to be

in business

next winter

or three years

from now,

should be

advertising

now.

For advertising,

like insurance,

is a long-term,

not a short-term,

investment."

(Roy Dickinson)

Since "advertising is the life-blood of an agency," let our Advertising Department assist in accelerating that life-blood in your Agency with:

Custom-tailored advertising plans for your individual local situation. Practical advertising counsel. Free "agency helps"—folders, envelope fillers, etc. Tested business-building suggestions.

In a nutshell, the sort of individualized cooperation your agency would get if it had its "own" Advertising Department under your hat.

And yours merely for the asking!

**North British & Mercantile Ins. Co., Ltd.
The Commonwealth Insurance Co. of N. Y.
The Homeland Insurance Co. of America
The Mercantile Insurance Co. of America
The Pennsylvania Fire Insurance Company**

evening and entertainment. President W. B. Calhoun of Milwaukee will preside and will call on some of the members to devote a few minutes to reminiscences.

* * *

RUDOLPH BELCHER IS ILL

Rudolph Belcher of Chicago, manager of the western reinsurance department of the Eagle Fire of New Jersey, has been confined to his bed for some time in his home and has been unable to be at his office for a number of months. Mrs. Belcher is in personal charge of the business under Mr. Belcher's guidance. W. E. Smith is general factotum in the office and is the contact man. Mr. Smith is one of the veteran insurance men of Chicago, who has a wide acquaintance.

Thiemeyer Cites Value of Uniform Inspection Method

Details were explained and the benefits pointed out of the uniform method of making inspections and the report manual, which have been approved by the Eastern Underwriters Association, Southeastern Underwriters Association and Western Underwriters Association, by H. R. Thiemeyer of the North America in a talk at the opening educational luncheon of the season of the Illinois Blue Goose.

With a clear, concise report, Mr. Thiemeyer said, avoiding all unnecessary details, there is a material saving in cost. The reports, he said, will give a true reflection of the property to examiners who never have and never will see the risk.

The report manual outlines three types of inspection; the original report, the reinspection and the complete report. There is also a supplementary report to bring out some unusual features.

The inspection reports are designed to show some of the methods of reasoning that guided the report writer in reaching his conclusions—some comprehension of the factors which tempered his judgment, Mr. Thiemeyer said. The new inspection system, Mr. Thiemeyer said, will be particularly valuable to field men, who he declared are on the average poor inspectors.

Mr. Thiemeyer also reported that standardized maps and map symbols have been approved in the east, west and southeast and have just been approved by the map committee of the National Board. They have been adopted as standard for all map making organizations.

The luncheon was in charge of R. D. Wiley, Illinois state agent for the Atlas, who is most loyal gander of the Illinois pond.

Submits Plan to Collect Balances

MONTGOMERY, ALA., Nov. 9.—Failure of a few agents of fire and casualty companies to remit balances for funds they have collected, has prompted Superintendent Charles C. Greer to write a letter to all fire and casualty companies suggesting a cure by the modification of the companies' contracts with their agents, "making the balances handled by agents a fiduciary trust." Under this plan, a failure to remit a balance would constitute embezzlement.

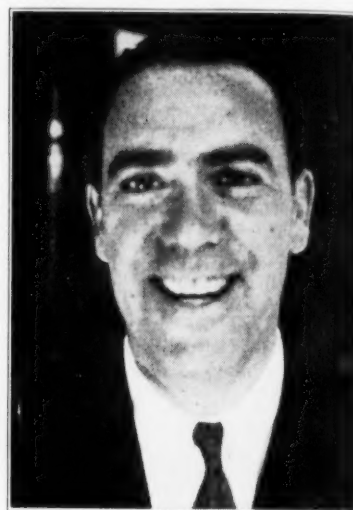
Metz Agency Superintendent

Victor C. Metz has been appointed agency superintendent at the home office of the Great American. He was sent to the New England field from the head office where he had traveled for a number of years.

Cote Transferred to Maine

Max V. Cote, for several years special agent in Indiana for the Glens Falls, has been transferred to Maine to represent the Glens Falls group as special agent with headquarters at Portland. Mr. Cote has made a good record in Indiana and his transfer is in the nature of a promotion.

Brokers' New President Starting Active Campaign



A. S. SCHWARTZ

A. S. Schwartz, newly elected president of the Insurance Brokers Association of Chicago, is one of the most successful Chicago brokers and active in the association since its reorganization some years ago. He has been vice-president during the last year. He started in insurance with his own brokerage office in 1919, after 24 months' service during the war. He was for five years an office broker with R. W. Hosmer & Co. Mr. Schwartz has a little known hobby of collecting etchings and has one of the finest collections of these in Chicago, including many original Zorns, Camerons and McBeys which are considered priceless.

Hail Record for 1932 Is Reviewed at Chicago Meet

Hail losses paid in 1932 by members of the Western Hail & Adjustment Association amounted to \$1,021,297, it was reported at the meeting of the advisory committee of that association Wednesday. The liability assumed was \$25,225,797 and the ratio of losses to liability was 4.05 percent. The amount of liability assumed was only about half as great as in 1931. In that year the liability was \$48,488,435, losses \$738,106 and loss ratio 1.52 percent; in 1930, the liability was \$97,065,405, losses \$2,667,436 and loss ratio 2.75 percent; in 1929, the liability was \$115,892,581, losses \$3,041,032 and loss ratio 2.62 percent.

From 1928-32 inclusive, the liability was \$441,772,140, losses \$17,091,468 and loss ratio 3.87 percent. Over a period of years, the hail writing companies have lost money on their operations.

Wanted to Buy: Good-sized going insurance agency. Preferably no farm business and in a town of 25,000 and up. Give full details and lowest price. Address **W-91**, The National Underwriter.

Wanted position as special agent. Have had several years experience in all lines. Prefer Texas territory. Can furnish first class references from my former employers. Address **W-92**, The National Underwriter.

SALARIED POSITION

Local Agency in large city wants special agent—Must have experience and ambition—State age, qualifications, references and salary expected. Address **W-93**, The National Underwriter.



breaking the ice! for you!

in undeveloped fields of insurance;
fields that require special knowledge and the active cooperation of experts.

Through its special service departments and highly trained field men the L. & L. & G. has repeatedly proven its ability to bring real premium-producing results to its agents.

The fields of Use and Occupancy, Profits, Rent, Rental Value and Explosion insurance are largely untouched. Let the L. & L. & G. break the ice for you.

150 WILLIAM STREET · NEW YORK



VIEWED FROM NEW YORK

By GEORGE A. WATSON

RECONSTRUCTION FINANCE LOANS

Until July 1, the Reconstruction Finance Corporation did not make public the details as to its insurance company loans. There have been three publications of loans since that time as the law was amended, making publicity necessary. From Feb. 2 to Oct. 1, the corporation authorized loans to insurance companies amounting to \$75,193,200.

Of this amount \$59,433,319 has been paid and \$2,062,412 paid back. The outstanding amount, therefore, as of Oct. 1 was \$57,370,907. The loans were made to 88 insurance companies located in 27 states. There were loans to 13 companies aggregating \$3,370,000 in September and \$3,708,000 to 10 companies in August. Of the loans made by the Reconstruction Finance Corpora-

tion to various enterprises, 5.7 percent have been made to insurance companies.

* * *

BUSY WITH BALANCE COLLECTIONS

With the end of the year but seven weeks off fire and casualty companies are redoubling their efforts to enforce collection of overdue agency accounts, special agents devoting the major part of their time in such direction. The solicitation of new business and the inspection of risks are deemed to be of secondary importance just now. Though some agents display irritation over this unusual activity of the field men, others sensibly appreciate the position of their

companies and are working loyally to aid them. Companies that have steadfastly endeavored to collect balances feel none too kindly to those of their competitors which in the past have granted unlimited credit to the same local representatives and which when the latter reach the end of their resources and their affairs are taken over by field men, insist that the earlier balances be given first consideration. Offices that in their desire to cultivate local men have been unduly lenient in the matter of collecting balances have contributed not a little to the plight in which so many agents now find themselves.

* * *

MARINE COMMITTEE REPORT

The marine underwriters in New York at a meeting last week received a report of the special marine committee consisting of D. F. Cox, chairman, Hendon Chubb, Benjamin Rush, W. H. McGee, E. J. Perrin, Jr., George Jordan, W. J. Roberts. This committee was appointed to review the controversy between the marine and fire and casualty companies regarding overlapping coverage. The fire and casualty classes appointed a committee to present their contentions to the New York department.

The committee states that its work is far from completed. Some of the fire people object to the department's ruling. It is suggested that the committee be continued in order to deal with the fire and casualty committees to establish if possible a practical dividing line between the powers of the various classes. This marine committee should be a tribunal to which unforeseen questions in regard to individual policies and covers can be referred for advice. Furthermore it is anticipated that legislation will appear in the next session, probably aimed at curtailing marine privileges or toward clarifying obscure points in favor of marine interests. The committee, it was urged, should be empowered to look after the marine people.

* * *

ORDERS EVIDENCE SUBMITTED

Justice McCook of the supreme court of New York county has issued an order of certiorari on petition of Stewart B. Hopps ordering the New York superintendent within 20 days to submit to the court all evidence, documents and records connected with the hearing which led to the revocation of Mr. Hopps' broker's license. Mr. Hopps contends that he has not violated any of the provisions of the New York insurance laws.

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GENERAL BROKERS MEETING

Officers and members of the executive committee of the General Brokers Association of New York City will be elected at the annual meeting Nov. 10. In addition, several subjects of timely interest will be offered for discussion.

* * *

PLEASED WITH THE RULING

Generally speaking all three underwriting interests—fire, marine and casualty—affected by the recent ruling of Superintendent Van Schaick of New York as to the powers of marine companies are well satisfied with the conditions laid down, and while these, of course, can be enforced only in New York State, the hope is expressed that the commissioners of other states at their December meeting will adopt the same regulations insofar as their respective jurisdictions are concerned, thereby insuring uniformity of practice the country over. The criticism of certain business organizations, other than insurance, that under the stipulations laid down by Mr. Van Schaick, importers and exporters would be hampered in securing satisfactory indemnity from American institutions, is far from the mark. A reading of the regulations indicates very clearly that the reverse holds, the superintendent making that point in his statement.

THE PHOENIX INSURANCE COMPANY HARTFORD, CONNECTICUT



Time Tried and Fire Tested

CAPITAL SIX MILLION DOLLARS

1854-1932

INCORPORATED 1799

PROVIDENCE WASHINGTON INSURANCE CO.

of Providence, R. I.

Capital \$3,000,000

INCORPORATED 1928

ANCHOR INSURANCE CO.

Providence, R. I.

Organized and Owned by the Providence Washington Insurance Co.

Capital \$1,000,000

*Each of these Companies writes the following classes of Insurance*FIRE—TORNADO—OCEAN and INLAND MARINE
AND THEIR ALLIED LINES
AUTOMOBILE—FIRE, THEFT and COLLISIONCOMBINED POLICIES
AUTOMOBILE—FULL COVERAGE
GOLFERS' EQUIPMENT and LIABILITY
WITH**MARYLAND CASUALTY COMPANY**

INCORPORATED 1831

VIRGINIA FIRE AND MARINE INSURANCE CO.

Richmond, Va.

Capital \$500,000

FIRE TORNADO
SPRINKLER LEAKAGE AUTOMOBILE INSURANCE

WESTERN DEPARTMENT: 175 W. Jackson Blvd., CHICAGO, J. R. Casbel, Manager



● Conservative. Sound. Very sound. ● Progressive growth. Sound growth. Cheerful growth. Satisfied agents. Satisfied policyholders.
● Many Coverages. Seasoned field men. Sales-slanted and keen. Practical Advertising Department. That business-building magazine THE ACCELERATOR. Helpfully constructive. ● Should we send you THE ACCELERATOR? And our booklet, "Making More Money"?

BOSTON INSURANCE COMPANY
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87 Kilby Street, Boston, Massachusetts

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FIRE INSURANCE COMPANY

OF NEW YORK

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SAFETY SIDELIGHTS

a common problem

Percy H. Goodwin, past president of the National Association of Insurance Agents, cites Safety as one of the works which local boards, and agents and brokers associations should prosecute through the promotion of public speaking by their members. The thought is a wise one, for certainly the group is able to perform such service with more facility than the individual agent working alone.

We hope the agents and brokers everywhere will take up leadership in this important function and persuade their fellow-workers of its worthiness. All alike will benefit.

Great American
Indemnity Company
CASUALTY New York SURETY



THE NATIONAL UNDERWRITER

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Time to Clamp the Lid Down

JUDGE REEVES of the United States district court at Jefferson City, Mo., in passing sentence on J. B. McCUTCHAN and DARBY A. DAY for using the mail in a scheme to defraud in connection with their operation of the CHICAGO FIDELITY & CASUALTY and CONTINENTAL INDEMNITY, made a few remarks from the bench that are significant in bringing to light a situation in insurance that deserves the most earnest attention on part of supervisory officials and which calls for more stringent requirements as to investments.

Judge REEVES said: "This case is important because of the speculation indulged in during the last few years and the great loss to investors through stock palmed off on the public. It had well nigh become a national scandal."

In dealing more leniently with Mr. DAY, the court said that his testimony had a ring of sincerity about it and that his conduct was a case of reckless and careless dealing. In Mr. McCUTCHAN the case was different, according to the court. Judge

REEVES said that Mr. McCUTCHAN undoubtedly knew the value or lack of value of the land on which mortgages in south-east Missouri were based. The court said there is not a shadow of doubt that the securities were not up to the requirements. Judge REEVES said: "The land in question was practically admittedly not worth much as an investment and had no prospect that the mortgages on it would yield interest."

This case brought out a situation that had grown to considerable proportions because insurance promoters and plungers had not hesitated to substitute dubious securities for good ones and had juggled with insurance company assets in a reckless manner. There needs to be a tightening up on part of state insurance departments. The minute a speculator or professional promoter or, in fact, anyone concerning whom there is the slightest doubt as to his honesty of intentions shows his head he should be sought out by the department and his life made as miserable as possible.

Getting on More Solid Basis

IN SPITE of the fact that much attention has to be given by field men these days to collections and delinquent agents, the general impression is that the producing forces are getting their business on a more solid basis and are conducting their affairs with greater efficiency. Company executives agree that after all the fire insurance situation is emerging quite creditably. There are thousands of agents and brokers soliciting business. There are hundreds that have extended credit too liberally. They find themselves in dire straits. Their offices have not been conducted in a systematic way. Their overhead has been too high. They have not been able to get down to

a safe and sane basis. Field men are giving a considerable amount of their time to meetings with regard to this agency or that. Some agencies are on a trustee basis. Some are being conducted under the guidance of a field committee. Some have been sold. Many offices have conducted their affairs in a loose way and naturally suffered in the cataclysm. Agents that have objected to pressure on part of companies in many cases realize that the companies that insisted on prompt collections and payment of balances were their real friends. Nothing has been accomplished by procrastination and by a further extension of credit.

PERSONAL SIDE OF BUSINESS

R. C. Hosmer of Syracuse, N. Y., vice-president of the Excelsior, is responsible for a cracking good story. In the environs of Walton, N. Y., one of its citizens was driving along a country road and picked up a man who was walking. The pedestrian was deaf and dumb and so he had to be communicated with by writing. The automobilist found that he hailed from a place quite far distant. He asked him what he was doing in this neighborhood. The sojourner replied that he had been employed to burn a barn that belonged to a woman in the vicinity. The motorist thought the visitor was joking and inquired the name of the woman. This was promptly given. The motorist by this time concluded the man's mentality was impaired so he crumpled up the paper and threw it out of the car window. A couple of days later the woman's barn burned. The circumstances were unusual. The automobilist confided in state troopers. They went back over the road and found the paper. The woman is now under arrest.

Harold Junker, vice-president of the United States Fire, during his visit to the western department of the Crum & Forster companies, arranged to make the return from Freeport, Ill., to New York in company with his wife and elder son, David, both of whom came on from Wyoming for that purpose. Mrs. Junker and her son while en route to Yellowstone Park last August were in an automobile accident, David being so badly hurt as to be confined to the hospital at Sheridan for weeks under the best obtainable medical and surgical care. Mrs. Junker's injuries were relatively slight. Fortunately both are now in condition to permit of their homecoming.

Some of the insurance people in Texas are backing Guy MacLaughlin of Houston, Tex., general agent of the Franklin Life, for insurance commissioner. It is taken for granted that Governor Ferguson will appoint a new commissioner to succeed W. A. Tarver, whose term expires in February. Mr. MacLaughlin is a personal friend of the governor's husband. Mr. MacLaughlin is known as the father of the American College of Life Underwriters, having suggested the idea at first and kept persistently at the movement until it bore fruit.

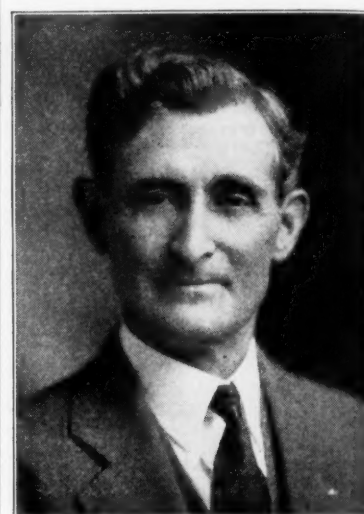
Stricken at his desk, L. V. Bentley, former Pacific Coast manager of the Glens Falls and for the past six years engaged in the reinsurance business, died suddenly Monday afternoon in San Francisco. He had complained of indigestion on arrival at his office but the autopsy revealed that he suffered acutely from heart disease.

Secretary C. F. Thomas of the Western Underwriters Association met with the executive committee and officers of the Indiana Fire Underwriters Association Monday. The previous week he attended the meeting of the Minnesota Fire Underwriters Association.

Abe Brown, senior partner in the Chattanooga, Tenn., local agency of Sol. Moyes & Co., died last week and was buried Friday. He was an uncle of Herbert Oppenheim, the junior partner. The Moyes agency was established in 1888.

Trustees, officers and past presidents of the Insurance Board of Cleveland tendered an informal dinner to Robert H. Perdue of Maxson, Perdue & Ketchum, former president of the board and one of the stalwarts of the agency business in Cleveland. The dinner followed his resignation as a board trustee.

Commissioner Riley Is a Real Humorist



GEORGE D. RILEY

George D. Riley, insurance commissioner of Mississippi, made a great hit at the annual convention of the National Convention of Insurance Commissioners in Texas with his characteristic southern Negro stories and endeared himself to all who met him by his amiable and lovable temperament. Quaint, homespun, most sincere and imbued with deep sentiment, he loves the people of his homeland. Mr. Riley sprang from a farm near New Hebron in Mississippi and went to Houston, Miss., in 1896, where he has resided ever since. For three times in succession he was county superintendent of education in Chickasaw county. He served for two years as president of the Mississippi Association of County Superintendents. He became state auditor and on retiring from office became associated with the National Surety in one of its Mississippi agencies. He is prominent in religious and civic work. He is widely known throughout his state. Commissioner Riley has made his reputation as a humorist. He is in demand at banquets and meetings, wherever he goes.

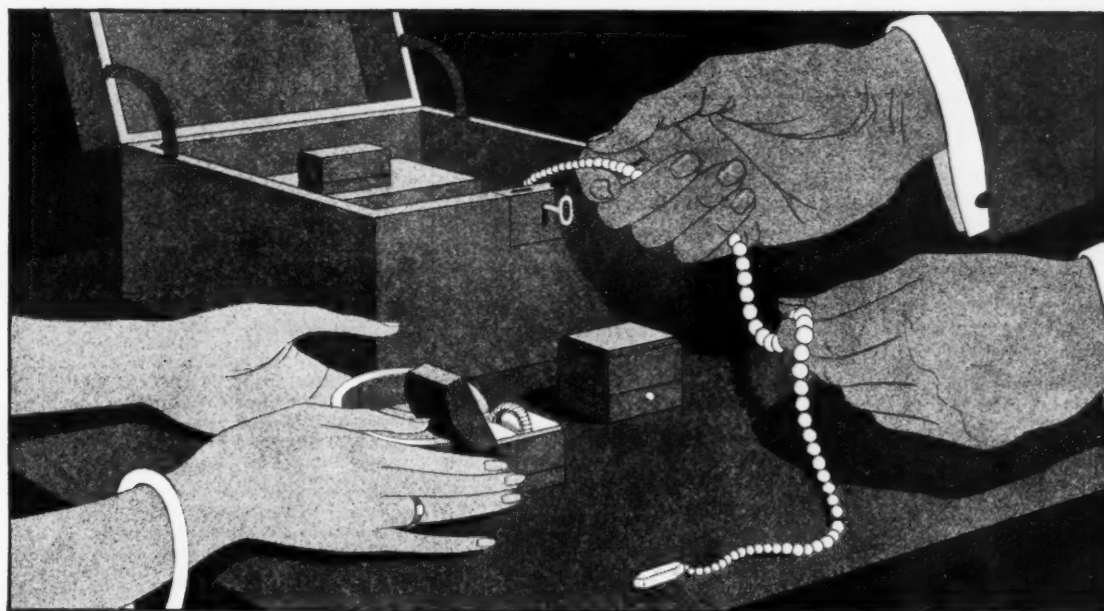
Mr. Perdue will continue in active business but the extra duties were given up to preserve his health. W. I. Keech of the W. I. Keech Co. was elected as a trustee to succeed him.

Mrs. Clarence E. Goldsmith, wife of the assistant chief engineer of the National Board, died in Chicago Sunday night of pneumonia. Burial will be at the old family home at Andover, Mass. A son, William G. Goldsmith, is assistant manager of the Kentucky Actuarial Bureau at Owensboro, Ky.

Clarence Strong, Oklahoma state agent for the London & Lancashire, died in Oklahoma City last week from heart trouble. He went to Oklahoma City eight years ago from Wellington, Tex. He once was mayor of that city.

Freeman Wilson, Ohio special agent for the Rhode Island group, lies critically ill in Columbus. He suffered a cerebral hemorrhage.

E. G. Ferris, superintendent of schools at Bay City, Mich., and Mrs. Ferris were killed in an automobile accident while driving home after a visit with J. M. Ferris of Detroit, who is state agent for the St. Paul Fire & Marine.



Introducing Camden Agents to Milady's Jewel-Case

The formal introduction to this profitable business is the folder pictured here. It is a sparkling black-and-white enclosure which the Camden Fire now supplies its agents for their prospects. Every woman who owns even an engagement ring is interested by it.

With such a start, Camden agents find that their story can be easily and completely told. The gen-

erous simplicity of Camden's jewelry policy completes the sale and paves the way for all the family fire insurance.

Today, more than ever before, agents recognize the value of conservative company management and aggressive agent help. Write for a sample copy of this "jewelry folder". Ask what it would mean to you to enjoy all the facilities of the Camden Fire.



Write for a copy of this "jewelry folder". Ask about your chance of being part of the Camden Fire.



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INSURANCE ASSOCIATION**
Camden, N. J.

The Camden Fire has operated conservatively and written sound Insurance since 1841

FIRE INSURANCE NEWS BY STATES

OHIO AND WEST VIRGINIA

Many Applications Refused

Underwriters Hesitate to Commit Their Companies for Long Period on Guarantees

Probably half of the applications for bonds are today being turned down. This applies particularly to bonds which are really financial guarantees. Thus in Ohio the operator of a gasoline filling station must give bond to the state treasurer guaranteeing the payment of the gasoline tax. This type of license bond is being underwritten with great care and many applicants are having difficulty obtaining the necessary bond to furnish to the state. The same is true of applicants for workmen's compensation bonds for self-insurers in Ohio. The self-insurers must give bond guaranteeing payment of any loss for which they may become liable. These bonds run for an indefinite period of time and since the liability may accrue eight or nine years or more beyond the date when the bond is written, underwriters are hesitant about committing their companies to a liability so far in the future. Even corporations which might normally be considered in good condition are subject to the closest scrutiny because business conditions today may vitally affect the surplus or reserve account of a corporation by the time any accident occurs involving losses.

Contract Bonds Scrutinized

As one bond underwriter expressed it, everybody seems to be looking to the surety companies to save themselves against losses and in some cases credit departments seem to have been discarded if a surety company can be obtained to take up possible losses.

Applications for contractors' bonds are also being examined with great care. Bidding today is on very close margins, in many instances being considered by underwriters to be too low. This coupled with the questionable financial standing of many contractors calls for unusual watchfulness to prevent the surety companies from assuming losses which normally would not occur. Contracts are being let at figures which will not cover even direct labor and material costs.

Securities Dealers' Bonds

Another form of license bond in Ohio which is being granted in a limited number of cases only is the securities dealer bond. This bond guarantees, to the purchaser of any securities, the payment of any judgment which he may obtain by reason of fraudulent representation of the securities. These are sometimes known as "blue sky" bonds. As a class, companies are generally declining offerings in this field. Underwriters view these bonds as somewhat dangerous because they do not know whether the limit in the bond will be treated as an aggregate liability under the bond or as a liability in a single case only. Where the bond is written for \$10,000, the company may not be sure whether its aggregate liability on the bond is \$10,000 for all cases which might be brought against the securities dealer or whether the limit is \$10,000 in each separate case.

Agents Call for Supplies

Thousands of changes in public office will take place in Ohio as well as in other states Jan. 1. Agents have begun asking for rate sheets and supplies to take care of public official business. Most of these bonds will be arranged for as soon as the election is over and

undoubtedly agents have already lined up for public official bonds many candidates even before the election.

Bugbee Meets with Toledo Men

Assistant Managing Director Bugbee of the National Fire Protection Association attended a meeting of the fire prevention committee of the Toledo chamber of commerce. The committee decided to work on developing needed ordinances to supplement the work carried on by the city fire prevention bureau.

Fire Loss in Cincinnati

The fire loss in Cincinnati the first nine months of 1932 was only 55 percent of the total for the same period of 1931. To Oct. 1, 1931, the total insurance loss in Cincinnati was \$514,988. For the same period this year, it was \$280,166. The loss for the last three months of 1931 was greater than for the first nine months of 1932. Should the losses for the succeeding three months of this year equal or fall below the average for the first nine months of the year, Cincinnati will close 1932 with a per capita loss of less than \$1. The highest insurance loss month for 1932 was August with \$54,250 and the lowest June with \$9,633. Fire department and salvage corps officials are warning that the year is not yet over but they are hopeful that the good record will continue.

Summarize Brokerage Regulations

CLEVELAND, Nov. 9.—Due to the fact that there seems to be much misunderstanding regarding the application of brokerage regulations of the Cleveland Insurance Board, particularly with reference to business written by its members for foreign brokers, the board has prepared a brief summary of the requirements. These will be found useful to members, non-resident brokers and the brokerage departments of insurance companies in handling their business. Copies of this condensed summary of brokerage rules may be obtained from the board office.

Warfield Opens Charleston Agency

Edwin L. Warfield has established his own agency in Charleston, W. Va., in the Capital City Bank building. He went to that city in 1930 and was associated until recently with the Patterson, Bell & Crane Co. as a production man. He was formerly assistant secretary of the New York Indemnity in charge of agency work. Later he was connected with the Globe Indemnity. Eleven years of his field experience were spent in Winnipeg, Can., two years in Mexico City and in Mexico generally with the general agencies of the Maryland Casualty and the National Surety. Mr. Warfield represents the Columbia Casualty, Fidelity & Guaranty Fire, Union of London, Sun Life of Canada, and Maryland Casualty.

Effect of Vacancy Permit

The dwelling vacancy permit in Ohio, providing a 25 percent reduction of indemnity in event of loss if a fire occurs when a dwelling is vacant, is not operating as the companies expected it to operate. Agents are protecting the assured by increasing the amount of insurance without reporting vacancies. Thus if a \$40,000 house is insured for \$25,000, the agent increases the insurance to \$32,000 if the house is vacant, so that the actual reduction to the assured in the event of fire when the

house is vacant is decreased by \$1,000 only. In some cases, building associations, it is understood, have issued blanket instructions that dwellings are to be protected for the full amount of insurance obtainable so that the association will be fully protected regardless of vacancy.

Studying Mortgage Clauses

The Ohio Fire Underwriters Association has appointed a committee to study mortgage clauses, which are declared to be very unsatisfactory. The association has been in conference with Secretary Charles F. Thomas of the Western Underwriters Association and it is probable that he may go to Columbus to discuss the subject with the Ohio Underwriters Association and others interested in the subject.

To Strengthen the Federation

The executive committee of the Insurance Federation of Ohio met in Columbus. Those present were B. G. Dawes, Cincinnati, president; Harry H. Hoard and C. L. Krum, Cleveland; Russell Knepper, C. A. Wikoff, Traftord Talmadge, Homer Ruprecht, W. J.

Gilsdorf and Homer Trantham, secretary, Columbus; G. W. Miller, Bucyrus, and C. A. L. Purmort, Van Wert. It was decided to make a special effort at once to increase the membership. Men will be appointed to speak to agency associations over the state explaining the purposes of the organization. It is desired particularly to strengthen the membership among the agents.

Best to Speak at Cleveland

CLEVELAND, Nov. 9.—Alfred M. Best will speak at the next meeting of the Insurance Board of Cleveland Dec. 16 on "Special Problems and Opportunities Confronting Insurance Men." Mr. Best has spoken before the board once or twice before and is well known to its members. The board expects to send invitations to surrounding local boards, field men, casualty men and others.

Ohio Notes

Trump-Littleton, Inc., Springfield, O., has been incorporated by J. F. Trump, H. K. Littleton and J. S. K. Johnson.

R. H. Bobb, 69, who had conducted a local agency in Columbus for many years, died at his home there this week. He had been ill several months.

CENTRAL WESTERN STATES

Bridges Visits Indiana Pond

Grand Supervisor of the Flock Is Guest of Honor at "Pre-Election Frolic" at Indianapolis

INDIANAPOLIS, Nov. 9.—L. H. Bridges of Omaha, grand supervisor of the flock of the Blue Goose, was guest of honor at the "pre-election frolic" of the Indiana pond here Monday night. A brief initiation ceremony, at which Mr. Bridges gave the charge to a number of newly plucked goslings, was followed by a dinner dance.

P. J. Mangan, most loyal gander of the Indiana pond, reported on the grand nest meeting in Chicago in September. He also announced the following insurance committee: Ross A. Moore, chairman, M. S. Harlan, E. E. McLaren, Joseph J. Spitzmesser and J. L. Valentine. Mr. Bridges made a strong plea for an increase in applicants for life insurance, especially among the younger members, pointing out the distinct advantages offered to the members in the order's group insurance plan.

More than 100 attended the banquet and dance. Several bridge tables were provided for the ladies, who played while the business meeting was being held. W. J. E. Webber was chairman of the entertainment committee.

Follows N. Y. Rule on Floaters

INDIANAPOLIS, Nov. 9.—The Indiana insurance department has followed the New York department in its ruling on marine companies and personal floater policies. There is an anti-discrimination law in Indiana and the department holds that the practice of writing liberal personal effects policies is in conflict therewith.

Janus Heads Cruse Agency

C. Otto Janus has been named president of J. S. Cruse, Inc., a new agency, which will take over the J. S. Cruse Realty Co. of Indianapolis, prominent in insurance and realty circles for 25 years. Mr. Janus has been a local agent in Indianapolis for 20 years, and this business will continue to be operated in his name. He will also continue as secretary-treasurer of the Indiana Savings & Investment Company. Mr. Cruse,

founder of the agency which bore his name, died over a year ago.

Michigan Field Club to Meet

DETROIT, Nov. 9.—A meeting of the Michigan Fire Underwriters Association will be held at the Michigan Fire & Marine home office Nov. 15. The meeting was postponed from the usual date, Nov. 1.

All-Time Low Record

GRAND RAPIDS, MICH., Nov. 9.—Grand Rapids is apparently within sight of an all-time annual record for low fire loss. The first 10 months' total is only \$67,886, approximately \$200,000 under 1931. The October loss was \$3,760.

Report Soon on American Mutual

The Indiana department will receive a report Nov. 15 on progress made by the American Mutual Fire as to cancellation of business and collection of assessments. Under order of the department the company has been writing no new business since last June.

Ray DPL, insurance manager of the Citizens Trust & Savings Bank of Evansville, Ind., was called to Dilltown, Pa., because of the death of his mother.

S. E. Moisant & Co. of Kankakee, Ill., have purchased the agency of Leonard Lanoue except the fire and automobile business.

News of States in the Northwest

Classification Plan Ruling

Only Policies Effective After Jan. 1, 1933, Will Be Classified as to Premiums and Losses

The Wisconsin department has announced that under the new classification schedule in that state only policies dated to be effective on and after Jan. 1, 1933, are to be classified as to premiums and losses. That is, losses paid in 1933 on policies written in 1932, 1931 or 1930 will not be classified. An at-

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\$ 1,000,000.00

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\$ 300,000.00

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\$ 100,000.00

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CANADIAN DEPARTMENT
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LOYAL TO PRINCIPLE -- TO LOYAL AGENTS, LOYAL

tempt is thus being made in the classification to have correspondence between the policy year and calendar year.

Under that system, it will be several years before the experience thus classified will represent the real picture. For instance, in 1933, probably half of the losses paid in Wisconsin will be under

policies written before Jan. 1, 1933.

This and other questions were discussed at a conference on the classification plan which was held in Milwaukee. Those on hand were Charles M. Park, chief rater of the Wisconsin department; George Nichols and C. J. Timbers of the Wisconsin rating bu-

reau, and R. D. Hobbs, assistant manager of the Western Actuarial Bureau.

Five combustibility classes are provided under the new Wisconsin classification. Under the rating method of the Wisconsin rating bureau there are special hazards which are given half classes. At the conference, decision was based on how these half classes would be made to conform to the Wisconsin plan.

that it simply encourages the government in private business. F. P. Lawton appeared for the state fire fund. G. F. Wrisley, state agent of the Rochester American; Secretary Sands of the chamber of commerce and some of the local agents spoke on behalf of the private companies. The board decided to hold up the matter for further consideration.

Allan Wolff Speaks

Allan I. Wolff of Chicago, chairman of the executive committee of the National Association of Insurance Agents, spoke Wednesday night this week at the monthly dinner of the Milwaukee Board. He was escorted to the dinner by W. B. Calhoun, former president of the national body.

Name New Executive Committee

MILWAUKEE, Nov. 9.—W. J. Tucker, Beloit, president and W. B. Calhoun, Milwaukee, chairman of the executive committee of the Wisconsin Association of Insurance Agents, have announced the personnel of the new executive committee. It includes Fred J. Lewis, Milwaukee; C. E. Estabrook, Rhinelander; R. J. Neckerman, Madison, and A. R. Davies, Kenosha.

Charge Discrimination

MADISON, WIS., Nov. 9.—Commissioner Mortensen has called a hearing for Nov. 17, on a discrimination complaint filed by Halvorson & Ford of Stoughton, Ben Midgard, Stoughton, and the Mallow Oil Heating Company of Madison, against the Fire Insurance Rating Bureau, Milwaukee. The hearing involves the right of insurance companies writing insurance on bureau rates to charge larger premiums for fire insurance on buildings in which heating apparatus is installed not bearing endorsement of the Underwriters Laboratories.

Wisconsin Cities Improvements

Construction has been started on a big feeder main to serve the southwestern section of Fond du Lac, Wis., and provide additional fire protection in that area. Installation of the main is in compliance with a recommendation of the National Board.

To secure a better rating, the city council of Baraboo, Wis., has authorized the city water commission to lay a new 10-inch water main to furnish adequate water supply to a section of the city where a smaller main has been in use for over 50 years.

POSITIONS

- AVAILABLE WITH STRONG STOCK CASUALTY COMPANY AS SPECIAL AGENTS IN STATES OF OHIO, ILLINOIS AND MISSOURI.
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Compile Branch Agency Data

Executive Committee of Minnesota Association Gathers Material in Effort to Correct Practice

MINNEAPOLIS, Nov. 9.—Data regarding the branch agency situation in Minnesota are being gathered by the executive committee of the Minnesota Association of Insurance Agents with a view to correcting what is regarded as an unfair practice.

At a meeting of the committee here Nov. 5, the entire situation was canvassed. C. F. Liscomb, Duluth, national councillor, is in charge of the matter and is gathering facts and figures to be presented to the entire membership at a later date. Questionnaires have been mailed to members and the replies are now being tabulated.

It is understood the campaign is directed largely against two large companies which maintain branch agencies in the three large cities of the state.

At the meeting of the executive committee, the matter of commissions on compensation insurance also was discussed but no action was taken. Minnesota agents are much dissatisfied with recent cuts in the commissions on this class of business.

Mutuals May Use Option Clause

MADISON, WIS., Nov. 9.—The attorney general's office holds that the insurance commissioner may not refuse to permit a town mutual to include in its policy the company option clause contained in the standard fire policy. Such a clause, authorizing rebuilding or replacement at the option of the company, is not in conflict with the valued policy law, the opinion states.

Oppose State Fund Operations

The board of education of Eau Claire, Wis., is considering the question of insuring school buildings in the state fund. A number of business men have opposed using the state fund, arguing

IN THE MISSOURI VALLEY

Des Moines School Cover Cut

Total Amount Reduced From \$3,300,000 to \$1,603,350—Divided Among 38 Agencies

DES MOINES, Nov. 9.—Reduction in fire insurance on Des Moines public school buildings and contents from approximately \$3,300,000 to \$1,603,350 has been approved by the school board. There will be \$1,351,450 insurance on buildings and \$251,900 on contents.

The reduction followed a report made by C. A. Gibson, Los Angeles, to the board on the need for insurance on the buildings and contents. Local agents here reported that \$2,702,075 insurance on buildings and contents was needed. They recommended insurance of 50 percent of the value of fireproof buildings, and 70 percent of the value of non-fireproof buildings.

The new schedule was written for three years from Nov. 1. Fire and lightning insurance in effect on that date was ordered canceled on a pro rata basis and credit applied on the new premiums. The insurance was appor-

tioned among 38 Des Moines agencies by a committee of ten agents with J. I. Petty acting as chairman.

Bankruptcy Action Filed

KANSAS CITY, MO., Nov. 9.—The Union of Indiana has filed an involuntary petition in bankruptcy against the Charles F. Williams general agency in the federal court here.

The petition alleges the agency is insolvent and that it committed an act of bankruptcy in August, when it transferred property, money and accounts receivable to the amount of \$18,000 more or less to the Illinois Casualty, a creditor, with the intention of preferment. It is also alleged to have transferred \$4,500 to the American National of Omaha. The petition is answerable Nov. 15.

Iowa Committee Appointed

The Iowa Association of Insurance Agents has now completed the personnel of membership of its legislative and membership committee of which Chester E. Ford of Des Moines is chairman. The members are as follows: 1st district, E. M. Wesner, Burlington; 2nd,

F. W. Damour, Cedar Rapids; 3rd, J. R. Vaughan, Waterloo; 4th, H. C. Brown, Mason City; 5th, J. H. Breneman, Ottumwa; 6th, D. N. McEniry, Des Moines; 7th, J. E. Cole, Council Bluffs; 8th, Tom Kelley, Fort Dodge; 9th, Fred W. Colvin, Sioux City.

Blue Goose Hears Circus Talk

W. H. Kelly, Newton, Ia., spoke at the Nov. 7 meeting of the Iowa Blue Goose in Des Moines on "The American Circus," telling of his many years in the commissary departments of leading circuses. Howard Alexander, most loyal gander, presided.

Dubuque, Ia., Is Inspected

About 50 field men attended the inspection at Dubuque, Ia. C. W. Borrett, secretary Iowa Fire Prevention Association, was in charge. The inspection was sponsored by the fire prevention committee of the chamber of commerce.

St. Louis Insurance Frolic

The annual insurance frolic of St. Louis will be staged the evening of Dec. 5 under the auspices of the St. Louis court of Cats Meow. Many outstanding theatrical and radio stars will be among the entertainers.

Paul G. O'Brien, 46, president of the O'Brien-Hobart Agency, Kansas City, Mo., died there last week. He entered the insurance business 25 years ago with Norman Hobart.

Southern States Local News

Joint Secretary Is Proposed

Miss Hindman Suggests at Nashville Meeting Tennessee and Kentucky Associations Use Same Officer

Recommendation was made by Miss Julia Hindman, secretary of the Tennessee Association of Insurance Agents, at the annual meeting in Nashville, that a permanent secretary be employed to function jointly for the Tennessee and Kentucky associations. Miss Hindman said there has been some correspondence on this suggestion and that such an arrangement would be for the benefit of both organizations.

Two regional meetings were held by the association during the year, one in west and one in middle Tennessee, Miss Hindman reported. These meetings, she said, did not result in enlisting as many additional members as was anticipated. This was due to the financial situation, she said. Miss Hindman suggested the continuance of the regional meetings in the three grand sections of the state.

Ninth Class Towns Face Increase

FRANKFORT, KY., Nov. 9.—W. M. Brown, chief deputy auditor, has sent a letter to various towns, stating that unless losses in ninth class cities diminish materially, an increase in rates will be granted in those towns. Records showing a loss ratio of 65 percent for 1926-1931, with 67 percent in 1930 and 81 percent for 1931, were given in the letter.

Receiver Must Sell Agency

LOUISVILLE, Nov. 9.—The receiver for a defunct bank which is being liquidated should not operate an insurance agency belonging to the bank but should attempt to sell it, and failing to do that, close it up. This is the opinion of W. R. Attkisson, Kentucky assistant attorney-general. Another ruling by Mr. Attkisson is on a hypothetical case relating to the possible formation of a corporation by non-resident agents, who would own a majority of the capital stock but would operate it with a Ken-

tucky agent in charge, for the purpose of evading the agency license, resident agent or anti-rebate laws. Mr. Attkisson held that a corporation cannot be lawfully formed under Kentucky statutes where the real purpose is to carry on an unlawful business.

Sole and Unconditional Ownership

Held that the sole and unconditional ownership clause of a fire policy written in accordance with the standard statutory form, C. S., 6437, is not waived by a written agreement signed by the insured and the adjuster for the company expressly providing that the agree-

ment was solely for the purpose of determining the loss and that it should not operate as a waiver of any conditions of the policy, which provides that none of its conditions or provisions should be waived except those subject to agreement and then only by a written waiver attached to the policy itself. The evidence that the adjuster for the insurer stated after a disclosure of the facts constituting a violation of a condition of the policy that the company would pay the claim is not sufficient, there being no evidence that the adjuster, a special agent, had authority to make such agreement, and there being evidence that the insurer denied liability

immediately upon receipt of the adjuster's report. Sasser vs. Pilot Fire, North Carolina Supreme Court.

Promise Atlanta Improvements

ATLANTA, Nov. 9.—As a result of the criticisms of the Atlanta fire department, reported last week, the Atlanta board of firemasters asked George L. Swann, engineer of the National Board, to appear before it and explain his criticism.

Members of the board were much impressed by Mr. Swann's findings. They asked him to furnish them copies of tests made in other large cities and



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Reserve for Losses, etc.....	678,921.47
Reserve for Security Values.....	1,500,000.00
CASH CAPITAL.....	1,000,000.00
NET SURPLUS.....	1,204,994.67

TOTAL ASSETS\$6,466,423.76

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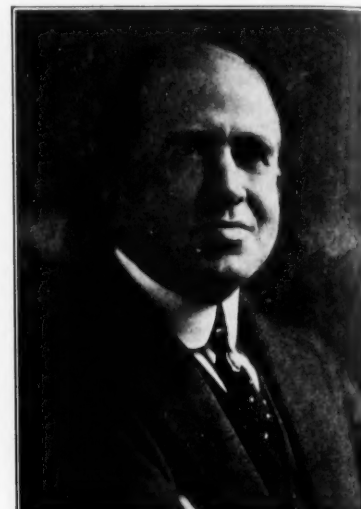
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BUSINESS INTERRUPTION INDEMNITY

Past Presidents Speak



GEORGE A. CALDWELL, Knoxville



JOHN M. DEAN, Memphis

Two past presidents of the Tennessee Association of Insurance Agents are on the program at the annual meeting at Nashville this week, George A. Caldwell of Knoxville and John M. Dean of Memphis, both having rendered the organization most excellent service.

expressed their willingness to cooperate "to bring the Atlanta department to a high state of efficiency and effectiveness."

Revive Gadsden Board

The Alabama Field Men's Association, the local agents, and the municipal authorities met in Gadsden, Ala., last month to discuss the reduction of fire losses. As a result the Gadsden local board, which has been semi-dormant for some time, will be revived.

Kentucky Officers to Meet

Joseph Gausepohl, president of the Kentucky Association of Insurance Agents announces a meeting of the executive committee and vice-presidents to be held at the Brown Hotel, Louisville, Nov. 22.

New Florida License Division

TAMPA, FLA., Nov. 9.—A new division of the insurance department has been set up to handle licensing of agents under the new qualification law. Meetings will be held in all parts of the state, where applicants will be examined under oath and applications

made in writing. The first will be at Miami, after that at West Palm Beach, and thence to other territories.

The plan has been approved by the directors of the Florida Local Underwriters Association.

Approve New Policy Forms

ATLANTA, Nov. 9.—The special committee from the Georgia Association of Insurance Agents which met with officials of the Southeastern Underwriters Association passed resolutions approving the new forms which will simplify the policies issued by the bureau. All of the clauses, etc., are provided for in one dwelling and household furniture form for each class of city.

National Board Inspects Louisville

Engineers of the National Board were in Louisville the past week to inspect the city's fire protection facilities. The last inspection was in 1925.

W. G. Goldsmith, assistant manager of the Owensboro branch office of the Kentucky Actuarial Bureau, was married there Saturday to Miss Martha P. Poor. He is a son of Clarence Goldsmith, Chicago, assistant chief engineer of the National Board.

STATES OF THE SOUTHWEST

To Draft Qualification Law

Oklahoma Insurers Ask Companies' Cooperation—Plan Six Regional Meetings

OKLAHOMA CITY, Nov. 9.—At a joint meeting of the executive committee of the Oklahoma Association of Insurers and a special committee of the Associated Fire & Casualty Underwriters of Oklahoma City, the secretary was authorized to request the National Board to appoint a committee of field men to meet with the association legislative committee to draft an agents' qualification law, which Commissioner Read is expected to submit to the legislature in January as a departmental recommendation.

It was further decided to hold six regional meetings, the first being scheduled for Ardmore, the date to be an-

nounced later. Meetings will be held every two months. Fred Treadwell of Holdenville was appointed executive committee member to succeed E. R. Ledbetter, resigned. The resignation of W. F. Stahl as national councillor was not accepted.

Two of the standing committees of the state association were appointed. F. Wiley Ball, Oklahoma City, former president, heads the legislative committee and George McCurdy, Tulsa, the grievance committee.

Farm Fire Prevention Program

OKLAHOMA CITY, Nov. 9.—A. D. Sills, chairman of the Oklahoma Fire Prevention Association farm committee, assisted by F. C. Newcomer of the Cotton Insurance Association, presented an interesting farm fire prevention program at the Foster high school, south

of Oklahoma City, before an audience of more than 600. The association will inspect Henryetta Nov. 12.

Dallas Agencies Merge

DALLAS, Nov. 9.—Wright Titus has purchased the interest of A. B. Wright in the Wright & Titus agency, and also announces the consolidation of the Ralph J. Powers agency with his office, which hereafter will be known as the Wright-Titus Company.

Arkansas Losses Higher

Arkansas in October had a property loss of \$342,020 from fire, compared with \$266,750 in August and \$275,635 in September, it is shown in a report by the state fire prevention bureau. Arson is given as the cause of 13 fires. Loss on dwellings was \$134,085.

T. M. Gooch, 81, head of the T. M. Gooch & Son agency, Fort Worth, Tex., died at his home there from double pneumonia after two years of poor health.

Vern Rogers, well known Tulsa, Okla., insurance man, died in a Tulsa hospital at the age of 45.

News of Pacific Coast States

Have Privilege of Selection

Borrowers in Bankrupt Building and Loan Associations May Place Insurance with Any Agent

LOS ANGELES, Nov. 9.—F. W. Richardson, former governor of California and now state building and loan commissioner, announces that borrowers in building and loan associations under the supervision of special deputies will be permitted to place their insurance with any agent of their selection. His deputy, Charles R. Detrick, former California commissioner, will hereafter have charge of all insurance matters.

"The only limitation placed on this insurance will be that the insuring companies must be reliable and fair in their dealings and the rate charged not above the usual rate," Mr. Richardson says. "Companies which have a reputation for welching in the settlement of losses will not be accepted. This affects only the bankrupt associations which are under supervision of this office. It does not apply to the 200 solvent associations of the state. Their contracts with their borrowers are private ones over which this office has no control."

Cancellation Notice Ruling

Commissioner Averill of Oregon has ruled that a cancellation notice providing that in the event of the premium having been paid, the excess of paid premium above the pro rata premium for the expired term will be refunded on demand in accordance with the conditions of the policy is ineffective. The return premium must accompany the cancellation notice, he said.

Seattle Committee Is Named

The King County Insurance Association at Seattle has appointed a special committee and will employ a full time salaried man to combat cut rate competition and non-board companies. Stuart Fiskien is chairman; H. C. Watchie, assistant chairman, and the other members of the committee are R. W. Scott, Walter Crockett, William Harmer and W. L. Horsfall.

Additions to Agents' Program

SAN FRANCISCO, Nov. 9.—A few additions have been made to the program for the silver anniversary convention of the California Association of Insurance Agents at Santa Rosa Nov.

17-18. At the executive session, Nov. 18, the Pacific Coast Factory Insurance Association will be discussed by Walter Van Orden, manager. A. P. Lange, secretary Insurance Buyers Association of San Francisco, will talk on "The Case for the Insurance Buyer." Cleve Appleton, Fresno, will discuss "More Agency Service and Less Agency Expense." The banquet, which will be in charge of Cyrus K. Drew, editor "Western Underwriter," will be on Nov. 18. The past presidents' dinner, with W. T. Rambo presiding, will be held Nov. 17. There will be a golf tournament and stag dinner the day before the convention.

DeMille Agency's New Lineup

W. H. Marks, former vice-president and secretary of the C. B. DeMille general agency, Seattle, has now become president and treasurer, with C. R. DeMille, son of the late president, as vice-president and secretary.

Barrow on Pacific Coast

E. R. Barrow, secretary of the American General of Houston, Tex., is spending some time in San Francisco with Cravens, Dargan & Co., general agents for the company on the Pacific Coast,

following a visit at the Cravens, Dargan offices in Los Angeles.

Kemp S. Dargan, who has been at the San Francisco office of the general agency for some time, has returned to Houston via Los Angeles, where he visited the offices of the general agency.

Lindsay on Oregon Committee

A. N. Lindsay, assistant manager for the Commercial Union group on the Pacific Coast, has been selected as a member of the Oregon conference committee to fill the unexpired term of H. R. Burke, recently retired as manager of the Royal group.

"Tilicums" Honor Burke

SAN FRANCISCO, Nov. 9.—H. R. Burke, recently retired as Pacific Coast manager for the Royal fleet, who is sailing with Mrs. Burke Nov. 11 for a round-the-world trip, was guest of honor at a "pow-wow" of the Tilicums, of which Mr. Burke has been a member since its formation in 1909. The organization is composed of field men and former field men of the Pacific northwest, who served in that territory prior to the San Francisco fire.

F. L. Hunter, Pacific Coast manager Norwich Union, who has served as

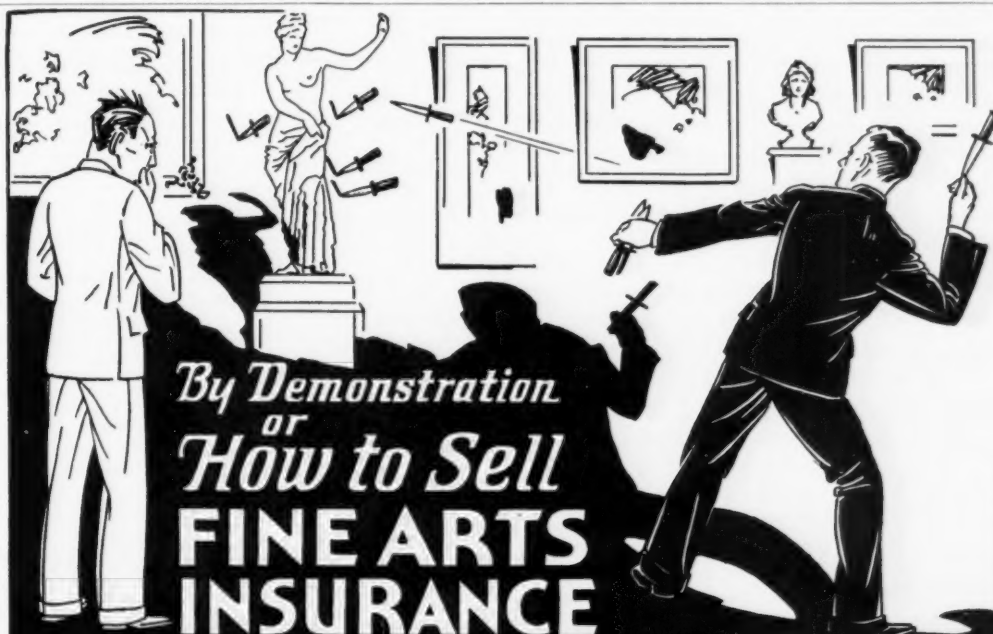
"Hyas Tyee" (big chief) of the group since its organization, presided at the meeting and read a telegram from members who still reside in the Pacific northwest. Among those in attendance at the dinner, at which Mr. Burke was presented with a buckskin coat worn by Sacajawea when she guided Lewis and Clark through the northwest country in 1805, were J. A. Murphy, F. M. Branch, H. R. Jackson, M. H. Thomson, C. R. Thompson, J. C. Dornin, H. P. Blanchard, G. A. Crux and C. A. Craft.

New Montana Association

The newly formed Silver Bow Insurance Association, Butte, Mont., which is in close cooperation with the Montana Association of Insurance Agents, has some 20 members. Officers are Fred Wingers, Morley & Thomas Company, president; R. J. Trudelle, Wolcott & Co. vice-president, and Fred Granapre, secretary.

Membership Now 100 Percent

DENVER, Nov. 9.—With the addition of J. M. Harris, new mountain field state agent of the North America, to the roster of the Direct Reporting Field Men's Association, the membership of this organization comprises 100



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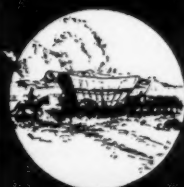
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percent of the field men of direct reporting companies in the mountain territory, according to President R. B. Wallace, state agent National of Hartford.

Mayle Blue Goose Speaker

R. J. Mayle, secretary-treasurer Pacific National Fire, addressed the San Francisco Blue Goose Nov. 7 on "Early California and Californians." Mr. Mayle has for many years been a deep student of California history.

Will Inspect Pueblo, Colo.

Engineers of the National Board will inspect Pueblo, Colo., in the near future. It was indicated the inspection is due to impairment of the manning of the city's fire department. It is now in Class 4.

Avery Visits Home Office

Frank M. Avery, Pacific Coast manager of the Fire Association, is on a visit to the home office. He plans to return to San Francisco about Nov. 25.

Becomes Independent Adjuster

A. A. Bennett, Denver, former special agent for the Cashman & Evans

and Cobb & Stebbins general agencies, has engaged in the adjusting business on his own account. He will specialize in fire and automobile losses.

Eastern States Activities

Important Work in Chelsea

Record Made of People Who Have Been Involved in Fires for Many Years

The Chelsea, Mass., chamber of commerce has prepared a complete record of persons who have been involved in fires in that city in an attempt to deal with the seriousness of the situation presented by increased losses due chiefly to fires of suspicious or incendiary origin. The review goes back to 1913 and shows a number of people who have had one fire after another during this period. These continue to have fires. Most of the local insurance agencies are cooperating with the chamber as is the Bay State Club, the organization of field men. However, it appears that people with bad fire records are still able to get insurance, according to the National Fire Protection Association.

C. D. Calkins to Speak

At the meeting of the Rochester Underwriters Board, Nov. 10, the speaker will be C. D. Calkins, agency supervisor of the Travelers, whose subject will be, "The Importance of Insurance in Present Day Business."

Maine Local Agents' Meeting

At the annual meeting of the Maine Association of Insurance Agents at Portland, Nov. 17, there will be an afternoon session, where there will be a business meeting and discussions. W. H. Bennett, secretary of the National Association of Insurance Agents, will speak at the banquet, followed by J. J. Hall of the National Bureau of Casualty & Surety Underwriters.

Service Charge Withdrawn

The organization of some 50 property owners in Harrisburg, Pa., has secured the withdrawal of the proposal before the city council by the water department to establish a service charge on connections to automatic sprinklers and other fire prevention services.

Wilke With Great American

John R. Wilke has been appointed special agent of the Great American group in Philadelphia, working in the city and the suburban field. He was formerly in suburban territory for the North America.

The Albany Field Club will hold its 20th anniversary banquet in Albany, N. Y., Friday of this week in honor of the charter members.

Motor Insurance Events

Heads Advisory Committee

E. A. Henne, of America Fore, Is Made Chairman—H. A. Miller Re-elected Director of Automobile Body

E. A. Henne of Chicago, western manager of the America Fore group, was elected chairman of the advisory committee of the western division of the National Automobile Underwriters Association, and H. A. Miller, associate manager of the North America in the

west, was re-elected a director. Mr. Henne succeeds Manager John F. Stafford of the Sun. His appointment to a large extent was prompted by the fact that he is chairman of the special committee of the Western Underwriters Association to take up the subject of reducing duplication of work and number of organizations.

The National Automobile Underwriters Association will meet in New York City, Dec. 7 and the directors the day before. There will be two or three important issues coming up relating to the western jurisdiction. President Williams of the Western Underwriters Association has been advocating the elimination of some organizations, or at least, bringing them under the wing of the W. U. A., so that there would be greater coordination and less expense. While he did

not specifically mention the automobile business, a number felt that that was one of the lines that he had in mind. This question of assuming jurisdiction over the automobile business has caused considerable discussion owing to the fact that some companies are members of the Automobile Underwriters Association that are not members of the W. U. A.

Another matter to come before the New York meeting involves the switching of automobile losses to the Cook County Loss Adjustment Bureau. This came up at the last meeting of the directors. The eastern contingent seemed to oppose the measure while the western men to a large extent approved it. It was thought best, however, to send two of the officers of the organization to Chicago to look over the ground, ascer-

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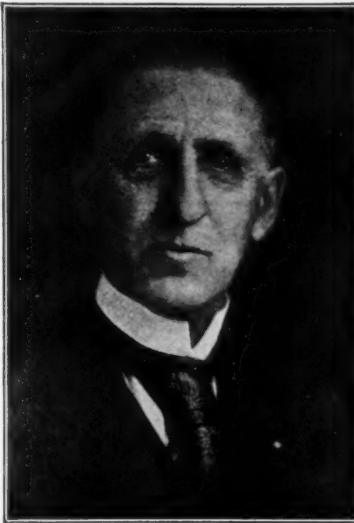
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A & H REVIEW

New England Advisory Board Reelects Cheney**T. C. CHENEY**

BOSTON, Nov. 9.—T. C. Cheney, Morrisville, Vt., whose proud boast it is that he has never in the 40 years of his insurance business failed to send in a check in full with every monthly statement rendered his companies, was re-elected president of the New England Advisory Board, an organization made up of the presidents, secretaries and executive committee chairmen of the New England associations of insurance agents. W. S. Shaw, Brockton, Mass., was re-elected secretary-treasurer.

tain the sentiment and take the subject up at the December meeting.

Canadian Auto Underwriters Elect

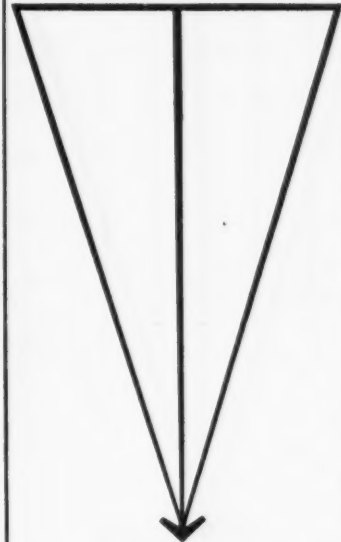
MONTREAL, Nov. 9.—At the annual meeting of the Canadian Automobile Underwriters Association, the following officers were elected: President, W. A. Thomson, Norwich Union, Toronto; first vice-president, J. W. Binnie, Globe & Rutgers, Montreal; second vice-president, L. C. Evans, London & Lancashire Guarantee & Accident, Toronto; secretary at Toronto, J. H. King; secretary at Montreal, R. N. Cornish.

Act on Michigan Service Outfit

LANSING, MICH., Nov. 9.—Proceedings were started in the Michigan supreme court by the attorney-general last week to set aside the charter of the Metropolitan Motorists Association of Detroit, whose activities have been the subject of complaint by Commissioner Charles D. Livingston. The petition states that the association has been doing business in the guise of an insurance company without authority of the insurance department, that it has been insuring against certain risks in violation of public policy and that it had, as of Sept. 8, cash on hand of only \$3.06, while liabilities totaled about \$8,000. It has been issuing a "service contract" in a form closely resembling an insurance policy. Officers are: Stanley E. Arnold, Chicago, president; Ellie Morrie, Detroit, vice-president, and Harry E. Arnold, Detroit, secretary.

Lincoln Club Pushes Insurance

LINCOLN, NEB., Nov. 9.—Protests by Lincoln agents have been ineffective in causing the Nebraska Automobile Association to abandon its insurance exchange, operated from the headquarters of the Lincoln Automobile Club. Instead the association exchange has started an active drive for business, writing the business through the American States of Indianapolis.

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All Securities Valued at Market June 30, 1932

Charles F. Williams, President

CINCINNATI, OHIO

Address—William C. Safford, General Manager

The National Underwriter

November 10, 1932

CASUALTY AND SURETY SECTION

Page Twenty-five

Depository Bonds Eyed with Caution

Banking Situation Materially Improved but Still Far From Stable

LIQUIDATE IN BULL MART

Reconstruction Finance Corporation Checks Uneasy Feeling—Anxious to Pay Back Loans

NEW YORK, Nov. 9.—Surety underwriters continue to exercise extreme caution in their consideration of depository bond offerings, feeling that although conditions surrounding the banking business are materially better today than they were some months ago, they are still far from being stable and are not likely to be so for some time to come.

It is an open secret that at one time last year the bankers of the country were more than nervous over the outlook, an attitude that existed until the creation of the Reconstruction Finance Corporation. Substantial loans on proper security have been made by the corporation to banks, both large and small, in different centers of the country, enabling continuance by the financial institutions of their activities, which otherwise would have been suspended. Loans thus advanced, at interest varying from 5 to 6 percent according to conditions surrounding each individual case, will unquestionably be paid in full. The borrowing banks are anxious to discharge their obligations as speedily as possible and thereby escape further interest charges.

Liquidate Collateral in Bull Market

While unfortunately bank failures continue, close to 1,000 having occurred since Jan. 1, they are less than for the preceding 12 months, or in 1930, and in almost every case the amount on deposit was below the average of the previous year's failures. The upswing in the stock market in September enabled many of the banks to get rid of previously "frozen" collateral, thereby strengthening their own financial setups and increasing the confidence of depositors as to their condition.

The states that essayed to guarantee public funds on deposit in banks within their borders are likely to pay dearly for the experiment. One state has already had claims of close to \$4,000,000 reported to it, with the prospect of an additional million or two being reported before the end of the year, unless meantime the economic situation changes pronouncedly for the better.

With several exceptions the surety companies that had been writing depository bond coverages for years continue doing so, though in greatly reduced volume, experience of the past 36 months having compelled the exercise of the utmost caution.

Banks with proper capital and surplus,

Strong Plea by Jackson for Emergency Rate Plan

NEWARK, N. J., Nov. 9.—The immediate adoption of the 1932 emergency compensation rate program is the answer given by H. P. Jackson, president Bankers Indemnity, to the question "What I Would Do about Workmen's Compensation Insurance if I Were Czar," which was the subject of his talk before the Casualty Underwriters Association here today.

Compensation insurance will always be controversial, said Mr. Jackson, because there are so many interested parties with conflicting requirements and each party feels that at one time or other its rights are being infringed upon. "But there can be no doubt that the stock casualty companies have too long borne a disproportionate share of the burden of making the economic readjustment incidental to the adoption of a workmen's compensation plan," said Mr. Jackson. "Now having reached the critical point where further continuance is impossible, they ask for the intelligent, far-sighted and unselfish cooperation of other interests involved in meeting a crisis by the general approval of the 1932 emergency rate program."

Cites Disastrous Experience

Mr. Jackson reviewed the history of the compensation question and the \$17,270,000 underwriting loss in 1930, the \$24,000,000 loss in 1931 and a like figure for the first six months of 1932. The well known ills experienced in writing compensation were cited.

"With this picture of the present situation before us," said Mr. Jackson, "you can readily appreciate the grave concern of the stock companies and their collective bureaus, and the tireless efforts which are being exerted to find measures of relief which this year have centered chiefly around the following procedure, to wit: application for 10 percent additional to the 1931 emergency rate increase which would mean about a 13 percent increase nationwide, and concurrent with it a plan of graded commissions and graded expense loadings applicable to risks of \$1,000 or over in premium with a discount in rate of 12½ percent to the policyholders of this class derived from the savings thus effected.

Disadvantageous Opposition

"Thus far the filings have met with a great deal of opposition and delay which is extremely disadvantageous to the companies' very urgent necessities. The increases have been applied in 11 non-regulated states and filings have been made in fourteen regulated states in which approval has been given in one; three have disapproved, and we are awaiting action in the remaining ten.

"The plan of graded commissions and graded expense loadings is designed to remedy to some degree the situation

and more particularly under capable management, are still able to secure ample coverage from the surety offices. Institutions, however, that cannot measure up to such requirement are not accepted and must seek their guaranties from other sources.

which burdens the stock companies in the unequal distribution of business by size of risk by permitting more equal rate competition with the mutuals through the application of the 12½ percent discount in rate to risks of \$1,000 in premium or more.

No Time for Selfish Action

"Those regulating authorities which are withholding approval of this 1932 emergency rating program are probably largely concerned with the conclusions of the actuaries based upon the data submitted in justification of the rate increase requested, considering on the one hand the interests of the policyholders that the rates be fair and reasonable and on the other that they be adequate to guarantee the solvency of the carrier. But their attitude upon the graded commission plan will be influenced considerably, I believe, by the views expressed by the committees of the agents' national organizations which I regret have been antagonistic. Yet I cannot believe that the rank and file of agents and brokers countrywide are unwilling to support the companies' program in this crisis when its dangerous potentialities are fully recognized. The present situation permits of no time for debate or indulgence in selfish or obstructive action.

Companies Are Threatened

"The companies are threatened with insolvency or withdrawal from this field of underwriting if some immediate relief is not forthcoming. Bear in mind that stock companies are still private enterprises engaged in a competitive business for profit, and privileged to so establish their sales cost and price fixing subject to the limitations of the laws of those states which provide that rates shall be fair to the policyholder, adequate for the company's solvency, and non-discriminatory.

"The graded commission plan is asserted to meet these requirements by able proponents and after most careful preparation, and if the agents or the regulating authorities disagree, the capital invested in stock companies has no alternative it seems to me than to escape insolvency by retirement from the field, a development the ominous effects of which cannot be exaggerated. Is it possible that through the lack of support of its own sales forces the gigantic institution of stock casualty insurance must fail, a capitalistic debacle in a period of our history too rife with socialistic and communistic tendencies?

"It is inconceivable to me that the clear-thinking and far-sighted agent cannot support this program from the standpoint of self-interest. He gets increased commission through the manual rate increase contemplated by the emergency program and applicable to the first \$1,000 of premium, and he gets an opportunity not hitherto enjoyed to compete on a price basis with mutuals for large premium risks, producing thereby substantial commission on new business if his salesmanship is effective.

"As to the reduction in commission income on business in force, the aver-

Medical Feature Under Discussion

Companies Desire Ruling from National Convention of Insurance Commissioners

PRORATE QUESTION UP

Danger Is Seen Where a Policyholder May Have Insurance in Several Institutions

NEW YORK, Nov. 9.—Accident and health underwriters are continuing their study of the medical reimbursement features now issued by many of the companies, being anxious to learn the attitude of the insurance commissioners as to a phase of its application concerning which they are somewhat in doubt. Liability for medical or surgical, nurse and such other hospital service as may be incurred by an assured, up to certain defined limits, is incorporated as a clause in the body of the contracts of some companies. Other offices grant the same benefits through a rider attached to their policies.

Question of Prorating Up

The question has been raised as to whether in the event of an assured's carrying such form of indemnity in two or more companies, he would be entitled to recover the full amount of his expenses from each, or whether the total cost should not be borne by the interested companies in proportion to the amount each had at risk. It is argued that it would be manifestly unjust for an assured to collect more than once for his total hospital charge though this has been attempted in several instances and supplies the main reason why companies are anxious to get the viewpoint of the state departments upon the subject.

Want Ruling of Commissioners

Several companies are meeting the situation by refusing to grant additional medical reimbursement indemnity to any policyholder already carrying such protection either with itself or with any other office, and by restricting to special classes of risks those to whom any protection of such character is issued. It is regarded as probable that an effort to get a ruling upon the subject or to secure approval of a clause stipulating that but one collection of hospital expenses be allowed will be made when the National Convention of Insurance Commissioners meets in this city next month.

age sized agency throughout the country has few workmen's compensation risks on its books with premiums in excess of \$1,000. I am speaking of the thousands of agents who depend upon the accommodations afforded by stock casualty companies for the continuance

(CONTINUED ON LAST PAGE)

Hagge and Fitzgerald Head Associations of Mutuals

ELECTED AT WHITE SULPHUR

Executives at Joint Meeting Discuss Cooperative Plan for Drive on Small Compensation Risks

H. J. Hagge, vice-president of the Employers Mutual Liability of Wausau, Wis., was elected president of the National Association of Mutual Casualty Companies, and J. J. Fitzgerald, secretary of the Grain Dealers National Mutual Fire of Indianapolis, was elected president of the National Association of Automotive Mutual Insurance Companies at the joint annual meeting of those two organizations in White Sulphur Springs, W. Va.

C. E. Hodges, vice-president of the American Mutual Liability of Boston, is first vice-president of the National Association of Mutual Casualty Companies; second vice-president, J. S. Kemper, president Lumbermen's Mutual Casualty, and third vice-president, C. N. Jacobs, president Hardware Mutual Casualty.

First vice-president of the automotive organization is O. B. Augspurger, president of the Merchants Mutual Casualty of Buffalo, and second vice-president is G. L. Mallory, vice-president of the Security Mutual Casualty of Chicago.

The decision was reached to hold a meeting of the organizations and their various committees in New York about Dec. 1, at which time progress that has been made on the various problems that were under discussion at the White Sulphur meeting will be reported.

Among the questions, in which the executives at the White Sulphur meeting were greatly interested, was the plan of the mutuals to make a cooperative effort toward the acquisition of more small compensation risks. The plan is being formulated in view of the fact that rates are being generally increased on small risks. At the December meeting probably the program will be in more complete shape.

The executives at White Sulphur endorsed the position that the mutuals have been taking in the various states on the compensation program, that is, they are opposed to the large increases in rates and to the graded scale. What the mutuals advocate is last year's compensation program moved forward one year to produce an average increase of about 9.1 percent.

There was discussion of the automobile theft situation in the larger cities and what steps the mutuals could take cooperatively to improve their experience. The executives voted to continue their national advertising campaign without reduction and possibly with an increase.

Tentative approval was given to the proposal to make an exhibit at the Chicago world fair next year and a report on this proposal will be made by a committee in December.

Confer on Florida Rate Changes

JACKSONVILLE, FLA., Nov. 9.—In a conference here Saturday Milton Acker, manager of the compensation and liability department of the National Bureau of Casualty & Surety Underwriters, explained to a committee of the Florida Local Underwriters Association, headed by President W. P. Fischer, proposed changes in the present employers liability rates in Florida.

Another Accident Ring Conviction

DETROIT, Nov. 9.—Charles Schnitzer, 33, was sentenced to 1 to 5 years in prison in connection with the fake automobile accident ring that has rimmed insurance companies out of upwards of \$200,000 in Detroit in the past 18 months. This is the 12th conviction of ring members.

Made Vice-President of National Safety Council



R. I. CATLIN

At the annual session of the National Safety Council held in Washington, D. C., R. I. Catlin, assistant vice-president of the Aetna Life accident and liability department, was elected vice-president for public safety. Mr. Catlin's interest in public safety work, arising as a result of his underwriting duties with the Aetna Life companies, has led him to take a very active part in the affairs of the National Safety Council. The past year he has been a member of its executive committee.

Livingston Will Back Move for a Compensation Bureau

DETROIT, Nov. 9.—If the insurance companies initiate a move for a state bureau to regulate all forms of compensation insurance and to make rates for Michigan, Commissioner Charles D. Livingston will gladly back the move, he told the Casualty & Surety Field Club of Michigan here last week.

The commissioner stated that he is heartily in favor of such a state bureau and believes that it would do much to bring about a better condition in compensation lines here. He has had the idea in mind for some time and in other addresses has hinted at it, but this is the first time he came out flatly in favor of this plan.

Fraud Ring Cases Reviewed

Chester P. O'Hara, assistant prosecuting attorney of Wayne county, who handled the investigation and prosecution of the fake auto accident ring in Detroit the past few months, outlined the activities of these persons, who have mulcted insurance companies out of about \$200,000 in 18 months. Twelve convictions have been obtained against the ring, leaving only two who had any connection with the ring not yet prosecuted.

Merit Plan in Ontario

TORONTO, Nov. 9.—A merit plan by which owners of automobiles may receive a reduction of approximately 10 percent in insurance rates is announced by the Canadian Automobile Underwriters Association. The reduction will be given to those owners who have a clear record as far as claims or infractions of regulations are concerned. This policy is in line with a recommendation of Justice Hodgins in his report on automobile insurance in Ontario. The plan takes effect on Dec. 1.

Lloyds Merger Is Approved by Three State Departments

EXAMINATION IS COMPLETED

Three Companies Have \$12,391,440 in Assets as of December, 1931—
Net Surplus \$3,164,000

NEW YORK, Nov. 9.—Following completion of a thorough examination of the affairs of the Lloyds Casualty, Constitution Indemnity and the Detroit Fidelity & Surety, formal approval of the proposed amalgamation of the three corporations as the Lloyds Insurance Company, has been given by the New York, Pennsylvania and Michigan insurance departments. The examination revealed the joint institutions to have possessed assets at the close of 1931, which aggregated \$12,391,440 and policyholders' surplus, including capital of \$1,000,000, of \$4,164,433, based on convention values.

Within a short time new directors and new officials will be chosen and plans determined upon for a systematic development of business along sane lines. Julius H. Barnes, chairman of the board, is the moving spirit in the affairs of the amalgamated company. It is his announced purpose to augment the management by securing several outstanding figures in both casualty and surety fields, and to build the organization on a substantial foundation.

M. D. Maggin, Franklin Vanderbilt and R. J. Daly will continue with the enlarged company in important executive posts.

San Francisco Casualty Men Meet with Insurance Buyers

SAN FRANCISCO, Nov. 9.—Casualty men in San Francisco have been invited to attend the next meeting of the San Francisco Insurance Buyers Association Nov. 15, when A. P. Lange, insurance buyer for Hale Bros., department store operators, will discuss robbery, burglary and commercial forgery insurance. His paper has been given the Casualty Underwriters Association for study and A. L. Mannon, assistant manager of the Pacific Coast branch of the National Bureau, will follow Mr. Lange with a discussion from the underwriters' viewpoint. The organization usually restricts attendance to members and the speakers.

It is working for the elimination of ambiguity in policy forms and for greater clarity of phraseology. It claims it has been successful in its efforts among the insurance buyers in California and that the companies have been the beneficiaries in almost every instance. It also stands for greater efficiency and knowledge among brokers and claims that frequently policyholders find they have not the coverage they most require, usually due to the ignorance or laziness of the broker. It also demands the right of direct contact with company without jeopardizing the status of the broker.

Recently the association went on record as opposed to the use of the word "material" in the fallen building clause, claiming that this was indefinite and confusing.

Canadian Association Elects

MONTREAL, Nov. 9.—At the annual meeting of the Canadian Casualty Underwriters Association, the following officers were elected: President, John Jenkins, Employers Liability, Montreal; first vice-president, H. W. Falconer, Dominion of Canada General, Toronto; second vice-president, H. F. Roden, Canada Accident & Fire, Montreal; secretary-treasurer, J. H. King, Toronto; secretary at Montreal, R. N. Cornish.

Companies Cautious About Taking "Non-Can" Business

SOME ACCEPTING BROKERAGE

Is Subjected to Sharp Scrutiny, However, and Special Restrictions Are Imposed in Many Cases

The Continental Casualty, Pacific Mutual Life, Mutual Benefit Health & Accident and Union Mutual Casualty accept high grade, non-cancelable disability business from solicitors other than their own agents. Two or three other non-cancelable writing companies accept brokerage business in a very limited way and under special restrictions but they do not desire to encourage or cultivate it.

Non-cancelable brokerage business for the Continental Casualty, Mutual Benefit and Pacific Mutual must be submitted through local agencies and offices of these companies. Letters received from all companies writing non-cancelable disability show clearly that where brokerage business is accepted, it will be put under sharp scrutiny and even then may not be accepted unless other forms and kinds of business are being offered to the non-cancelable writing companies by the broker.

Loss Ratio Not Favorable

Business submitted by brokers and accepted by the companies has never shown a loss ratio as favorable as the business written by the companies' own agents. It is for this reason that some of the other companies, which have made special arrangements for accepting some non-cancelable business from brokers, do not desire to enter generally the brokerage field.

The president of one company writing life insurance as well as non-cancelable accident and health notified his agents many months ago that non-cancelable business would be accepted only from agents licensed and under contract with the company direct. This step was taken in the fear that an open and free acceptance of non-cancelable business from other agents would result merely in the establishment of a dumping ground, since few life agents have understood and applied the underwriting principles necessary for successful handling of non-cancelable insurance. This same company told its agents also that the limit of protection for any risk would be \$600 per month, the disability benefits of life insurance policies as well as accident and health policies to be used in calculating this maximum.

Little Increase in That Field

When many of the life insurance companies stopped writing disability insurance, some predictions were made that non-cancelable writing accident and health companies would move into the field to clean up. However, the experience of these companies as well as the experience of the life insurance companies induced an unusual caution, with the result that the non-cancelable business of the accident and health companies as a whole, in the period since many of the life companies stopped writing disability insurance, seems actually to have decreased rather than increased. This has been due principally, of course, to business conditions but except for the careful attitude toward non-cancelable insurance, even business conditions would not have prevented some increase.

There are about as many companies writing non-cancelable accident and health today as at any time in the past but the attitude of all those in the field is one of cautious and careful procedure.

Contract With "Post-Dispatch"

The Federal Life has closed a contract with the St. Louis "Post-Dispatch" to write accident policies on its subscribers for either 10 cents a month or 5 cents per week, depending on the coverage desired.

O'Neill Considers Methods of Rating Auto Liability

IDEAL SYSTEM IS LACKING

Royal Indemnity President Suggests Mileage Basis, but Notes Objections to It

NEW YORK, Nov. 9.—Rate making for automobile liability insurance continues a vexatious problem, and doubtless will for many a long day. That the ideal method of measuring hazards has not been attained and, in the minds of many, is unattainable is conceded, but thus far no more practical plan than that now employed has been proposed.

F. J. O'Neill, president of the Royal Indemnity, in the course of an article dealing with the general subject of automobile rate-making written for the "American Agency Bulletin," mentions mileage as a possible basis for rate computation, and then proceeds to note some of the objections to its application. Particularly does he point out the expense that would be involved in getting mileage figures, and the probability that when secured the data "would be inaccurate and in some cases fraudulent."

To be of the slightest use for rate making purposes, sworn statements as to the mileage traveled by a car would have to be secured from its owner, and to insure accuracy the returns would have to be checked through inspections. Obviously the cost of such service would be prohibitive as to any individual company and severe even through associated effort.

The result would be that the data would generally be furnished by agents or brokers, who would take the word of their assureds without seeking to verify it. While such procedure might be all right with respect to many clients, it certainly would not hold for all, for human nature is proverbially weak and if it were profitable to understate the mileage it is quite supposable that a percentage of applicants for indemnity would do so.

Darby A. Day Is Given Fine of \$2,500 in Federal Court

Darby A. Day, former Chicago manager of the Mutual Life of New York and later manager of the Union Central Life, who promoted the Chicago Fidelity & Casualty, was fined \$2,500 by Federal Judge Reeves in Jefferson City, Mo., being found guilty of conspiracy to use the mails to defraud in connection with the promotion of the Chicago Fidelity & Casualty, Continental Indemnity and other enterprises, which went into hands of a receiver. He was ordered to pay \$1,000 immediately and will be given 30 days to raise the balance. He was placed on probation for a year.

J. B. McCutchan, an associate, drew a four-year sentence in the federal prison at Leavenworth. Judge Reeves declared that the evidence showed that Mr. Day was less guilty of fraud than Mr. McCutchan. Mr. McCutchan's attorney announced that the case would be appealed.

A new trial was denied in the McCutchan case and an immediate appeal made to the United States circuit court of appeals. Pending the outcome, Mr. McCutchan is at liberty under a \$10,000 bond.

Mr. Day arrived in Chicago this week and is getting in touch with his old friends there.

Mansfield in New Post

C. A. Mansfield of Portland, Ore., for three years manager of the bond department of the Commercial and Metropolitan Casualty, has become manager of the surety department of Jewett, Barton & Levey, general agents for the Hartford Accident.

Occupational Disease Law Fundamentals Formulated

An awakening of interest in the question of solving the problem of covering occupational diseases under the workmen's compensation policy, manifested particularly in investigations by state commissions in Illinois and Pennsylvania, and by the work of two special joint committees of the National Bureau of Casualty & Surety Underwriters and the National Council on Compensation Insurance which have been deliberating for a year, has resulted in the transmission to the Illinois state director of labor of an opinion by P. Tecumseh Sherman of New York City, noted attorney and expert on casualty matters, to the Illinois department of labor, outlining ideal requirements for an occupational disease statute. This opinion because of nation-wide interest in the general question, has application much wider than merely in the state of Illinois.

Mr. Sherman prepared the brief for the Association of Casualty & Surety Executives, for whom he is counsel, at the behest of E. M. Ackerman, secretary of the Illinois Insurance Federation, transmitted to F. Robertson Jones, manager of the casualty executives' organization.

Precise Phraseology Needed

Phraseology of the law, Mr. Sherman stated, should be as definite as possible, so that in practical application there will be a minimum of uncertainty and litigation about the rights and liabilities of the parties. To this end the occupational diseases, that is non-accidental injuries, to be covered must either be distinctly named or definitely described.

When not actually named they may be described to include any disease originating from exposure to named trade poisons, etc., and even to include any disease conclusively proved to be due exclusively to any poison, etc., peculiar to industry, he said; but they must be described so as to include only diseases which in individual cases can be traced with certainty to a risk created by the industry, unknown to ordinary life.

Points Out Dangerous Method

Mr. Sherman said if the way could be left open for awards of compensation on the ground that a common disease was contracted because of weakened bodily resistance brought about by long or severe but normal labor, or on the ground that death or disability, congenital disease or disease due or probably due to home conditions or personal habits or vices, was "contributed to," accelerated, aggravated or "approximately caused" by conditions of work, there would practically be no telling where the line would be drawn, he said. In such event industry, through increasing liberality in adjudication, eventually might be held liable for many times the proportion of ill health for which it is in any sense truly responsible.

Rather than to do this, Mr. Sherman said, it would be better in theory to require employers to insure their employees against the wage losses from all ill health, howsoever caused. "Short of such an impracticable extreme," he writes, "the only practical place to draw the line is as above indicated."

Law Should Give Full Cover

The compensation law should cover all known "occupational diseases," according to Mr. Sherman, meaning by this term all diseases which according to the consensus of medical opinion can in individual cases be traced to an origin arising out of a special risk not common to the community but peculiar to an industrial process or operation. In return, however, the compensation law should be "exclusive"; that is, Mr. Sherman says, the employer's insurance

of compensation covering the occupational diseases should exclude liability for all other diseases not caused by accident arising out of the employment, whether at common law or otherwise. He said incidentally he believed the compensation law should be restricted to compensate for the aggravation or acceleration caused by accident of pre-existing diseases which are neither "occupational nor accidental" in their origin only to the extent and subject to the conditions laid down in the Connecticut compensation law.

Several Conditions Are Cited

The right to compensation for occupational diseases should be made subject to special conditions—differing from the conditions to the right to compensation for an accident, and to some extent varying for different diseases. These special conditions he sets forth as:

"1. The right to compensation should be conditioned upon a period of exposure long enough to cover all stages in the gradual contraction of the disease, or at least the employer at the time of disablement should be liable only for so much of the compensation as corresponds to the proportion of the injury that may fairly be charged to the period of exposure in his employment.

"2. The objective of the law should be to procure the prompt removal from an occupation in which there are high risks of a certain occupational disease of all workmen beginning to show a predisposition to or the first symptoms of such disease. In other words, the law should be framed primarily for prevention, and only secondarily for cure and compensation.

Prompt Notice Essential

"3. A workman should not be entitled to hang on until absolutely disabled by an occupational disease and then give notice with the effect of a notice of accident. He should be obligated to give prompt notice of the first distinctive symptoms of a disease, to truthfully answer inquiries as to his history, health, etc., by the employer or insurance carrier and to submit freely to periodical medical examination.

"4. When a workman is 'let out' upon discovery of early symptoms of the occupational disease, the compensation payments should be definitely limited to a brief period, sufficient only to compensate for the normal healing period, with a margin for the loss incidental to change of occupation. In other words, compensation for such occupational diseases as silicosis should be regulated specially, as is compensation for hernia under many laws."

Prefers English Schedule

Mr. Sherman said in a typical schedule of occupational diseases in compensation laws there are two columns, a disease being named in the first column and in the second an occupation opposite each disease. Under New York law the disease in the first column is compensable only when it is contracted in the occupation, etc., named opposite to it in the second column, whereas under British law a disease named in the first column is compensable no matter in what occupation it may have been contracted, but where it was contracted while employed in an occupation named opposite in the second column it is presumed to have been contracted in that occupation. Mr. Sherman believes of these two rules the English is the fairer and that the presumption it establishes is reasonable.

The Autocub Mutual of New York City, writing taxicab insurance, has withdrawn from Maryland.

Casualty Insurance Aided in Developing Industry

TALK IS MADE BY J. H. EGLOF

With Introduction of Machinery This Indemnity Has Become Necessity in Business

The part which casualty insurance has taken in the development of industry and in safeguarding the public was outlined in an address Monday at a meeting of the casualty and fire school in Detroit by John H. Eglof, supervisor, agency field service, casualty lines, of the Travelers. Although essentially modern, since it had its beginning during the middle of the nineteenth century, casualty insurance was needed from the dawn of civilization, the speaker said, but with the introduction of steam into industry and transportation it became a comparative necessity of life.

First Start of Accident Insurance

Accident insurance was said to be the oldest casualty line, the idea for it in the new world having been obtained by the founder of the Travelers from England. Although the contracts for accident insurance were said to be essentially the same in the earlier days as they are now, the kinds of accidents involving the public have undergone a great variety of change. The utilization of the expansion force of steam in industry led to the development of employer's liability insurance and finally workmen's compensation insurance, it was explained. With the advent of the industrial age, hand work gave way to the machine and work became more dangerous and accidents more numerous, Mr. Eglof said.

Increasing Number of Claims

The result of such conditions was an increasing number of claims presented against the employer by the employee for damages on account of injuries sustained during work, and the attempt to solve such problems led to the passage of employer's liability laws and finally to the statutory successor, workmen's compensation laws.

During the last decade the speaker pointed out that the companies writing compensation insurance have suffered a staggering underwriting loss which in the last three years has exceeded \$58,000,000, of which approximately \$24,000,000 occurred in 1931.

Hanson Lauds Federation

Superintendent Hanson of Illinois in a letter to Secretary-Treasurer E. M. Ackerman of the Insurance Federation of Illinois expresses belief in the value of the federation to the insurance business and the insuring public, particularly because of the fact that the federation represents all branches of insurance and is in fine position to conserve and protect the best interests of companies, agents and policyholders. He finds federation activities clear the public vision of false views of insurance and enlighten public viewpoint to insurance legislation. "The Insurance Federation of Illinois, as I see it," Mr. Hanson wrote, "is simple in construction, direct in purpose and human in expression."

"Not Over 65" Construed

Action on an auto accident policy. Held that a person is not over the age of 65 years within the meaning of the policy providing: "The insurance under this policy shall not cover any person under the age of 18 years nor over the age of 65 years" until he has reached his 66th birthday, and that fractions of a year should not be considered. Wilson vs. Mid-Continent Life, Oklahoma Supreme Court.

During the Last 18 Years

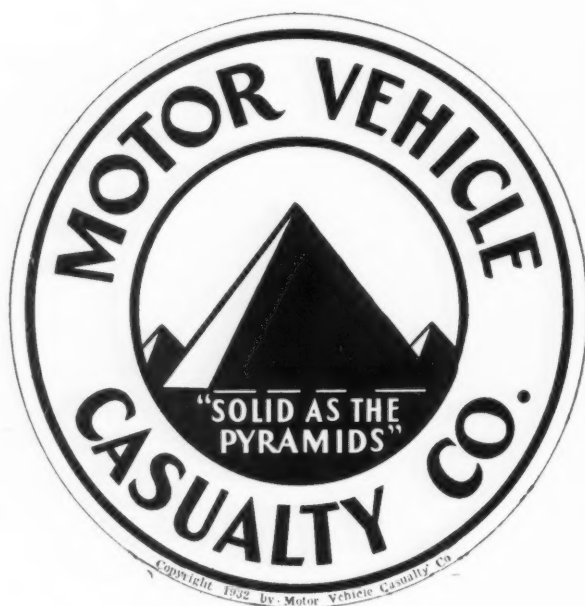
this organization has continually personified

Prompt and full payment of just claims

Cooperation with brokers and agents

Service with efficiency and courtesy

Sound protection



Home Office

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A STOCK AUTOMOBILE COMPANY

New Jersey Aviation Suits Decided by Supreme Court

VERDICT OF \$68,000 UPHeld

Heirs of Six Victims of Trimotored
Airplane Crash in Newark
Win Judgments

NEW YORK, Nov. 9.—The New Jersey supreme court has given final decision in the case of six of the 14 persons who were killed when a trimotored sightseeing airplane crashed into a freight car near Newark airport in the spring of 1929. The court upheld previous verdicts of the lower courts, holding that the Colonial & Western Airways, operators of the plane, were liable and must pay a total of \$68,000 to the heirs of the six who were killed.

The total verdict for this group was originally \$89,000 but the largest individual award was cut from \$46,000 to \$25,000 on appeal. Two awards were for \$9,700 each, one for \$8,600 and two for \$7,500 each. Suits are pending in the case of all but one of the other eight victims.

U. S. Aviation Underwriters Risk

The passenger liability was insured by the United States Aviation Underwriters. The court based its decision on specific allegations of negligence made by the plaintiff's counsel. The decision has been awaited with much interest.

Fortunately for the operating companies and their insurers, the decision does not free the plaintiff from the obligation of proving negligence and does not put on the operator the burden of proving that there was no negligence. Thus, while the verdict is a large one, it is not regarded as a precedent which may be expected to result in hardship to operators or in excessive insurance rates. In fact, there probably will be no immediate effect whatever in rates, as an adverse decision in this case has been considered likely for some time and rates have already been adjusted to cover such suits.

Conditions Much Improved

At the same time, conditions in aviation have changed in the three years since the accident and while it is not known what caused the sightseeing plane's motors to fail, it is considered that such accidents are much less likely to happen now than then.

The court decided that the company was negligent in sending the plane up with a pilot new to the locality and unfamiliar with the terrain; that the pilot, Lou Foote, was negligent in failing to observe the ground rule about turning to the left and in selecting the less safe turn to the right, perhaps as a matter of convenience; in taking a heavily loaded plane into the air on a day distinctly unfavorable to flying, and in loading the plane beyond the numerical limit set by the rules.

O. O. Lauckner, well known Hoboken, N. J., local agent, who also had an office in New York City, died last Saturday at his home in Union City, N. J.

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We now have facilities for insuring
BUSES • TAXI CABS
TRUCKING—Long Distance

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Form National Sales Club to Offset the Depression

Many prominent insurance men are numbered among the officers and members of the National Sales Club, a new organization in Chicago, formed with the object of dispelling the gloom of the depression and inducing business optimism. In fact over 50 percent of the membership is from insurance. The charter dinner was held in Chicago recently with Charles H. Burras, president of Joyce & Co., as the principal speaker.

The idea is credited to C. Carroll Spear, National Surety, who is first chairman. H. J. Doyle of Joyce & Co. is treasurer and G. M. Weichelt, Chicago insurance attorney, supreme diplomat. R. L. McNamara, National Surety, is secretary. Among members are Harry G. Johnson, Eliel & Loeb; James L. Blanding, Critchell, Miller, Whitney & Barbour; H. T. Huff, vice-president Joyce & Co.; M. R. Laubenheimer, Conkling, Price & Webb; Frank Kilarin of the Continental Fidelity Insurance Agency; Spencer Welton, vice-president Massachusetts Bonding; Walter W. Steiner, branch manager Globe Indemnity; J. G. Edmondson, Travelers; Milburn Anderson, Globe Indemnity; R. M. Redmund, broker, Lyman, Richie & Co.; E. J. O'Donnell, Batholomay-Darling Company; Frank M. Chandler, resident vice-president Jones & Whitlock; A. D. Piggott, Klee, Rogers, Loeb & Wolff, and E. H. Walters of Edward H. Walters & Co.

Among the life men who are members are R. A. Sparr and H. G. Johnson, State Mutual Life; J. H. Cloud, Penn Mutual; Paul Nelson, Reliance Mutual.

After installation of officers and initiation entitled, "The Horrors of Hades," a fine program of RKO vaudeville was given with Herbie Mintz, pianist and organist of KYW, supplying the music.

In addition to the dinners, monthly sales educational meetings will be held, which may be attended without cost by anyone. Prominent sales and advertising managers, business executives and economists will speak.

Egloff Is Dayton Speaker

DAYTON, O., Nov. 9.—John H. Egloff, supervisor of agency field service of the Travelers, spoke before the American Business Club here on "The Importance of Insurance in Times of Adversity."

He said that about \$1,000,000 is invested annually in casualty insurance of various kinds. The tremendous sums of money distributed as benefits, he added, are of material importance to the American people. Mr. Egloff declared that American business is bound to forge ahead and that insurance can play an important part in such a development.

Naef to Sail Nov. 11

R. M. Naef, general manager of the Zurich General Accident of Switzerland, who has been visiting the United States branch for some weeks, will sail for home Nov. 11.

Century Indemnity Changes

Manford S. Runyan, for five years Oklahoma field manager of the Century Indemnity, has resigned to enter the local agency business in Tulsa. He will be associated with J. J. Jackson, representing the Century as general agents and the Aetna Fire as local agents.

G. Morris O'Brien, Century field manager in Texas, who succeeds Mr. Runyan, will supervise both Texas and Oklahoma for the Century with headquarters at Dallas. Mr. O'Brien during the past five years has served successively in Louisiana, Arkansas, Texas and Oklahoma.

FIDELITY AND SURETY NEWS

Seeks Review on Bond Case

Appeal to U. S. Supreme Court on Part of Hare & Chase Reorganization Company

A petition for a writ of certiorari in Hare & Chase Reorganization Company vs. National Surety has come before the United States Supreme Court, involving the question whether a bondholder is estopped from asserting a claim for a risk regarding which the holder consciously but without fraudulent intent failed to disclose material facts during oral negotiations, believing them immaterial. Hare & Chase conducted an automobile finance company and failed to reveal that it was discounting fleet taxicab paper because it believed that the "ultimate loss" bond for which it was negotiating did not cover that risk. Prior bonds had excluded taxicab paper but this one covered taxicab losses on all business transacted by Hare & Chase whether or not reported. No questions were asked by the representative of the surety company relative to the handling of taxicab paper although he did state that he considered such paper an inferior risk.

When a severe loss arose under the taxicab finance business, Hare & Chase tendered surety premiums for this risk and commenced this action to recover \$3,050,818 with interest.

Changes Made in Some Bonds

Modify Minimum Premiums, Rates and Discounts on Fiduciary, Judicial, Probate and Appeal Forms

A number of changes in minimum premiums, rates and discounts effective Oct. 21 on fiduciary bonds, judicial and probate, and appeal bonds have just been bulletined to field men. The old rates on fiduciary bonds were on an annual basis and there never was any discount made permissible for premiums paid in advance; whereas, for a considerable time such a discount has been permitted for public official bonds when it was desired to prepay the premium. The scale of discounts for advance payment of future annual renewals made permissible is: Advance payment of one renewal, no discount; two, 10 percent; three, 10 percent; four, 12 percent; five, 15 percent; six, 18 percent; seven, 21 percent; eight, 24 percent; nine, 27 percent; 10 or more, 30 percent.

Minimum Premium Changes

A change in the minimum premium for plaintiff's cost bonds in fixed penalties has been made as follows: Bonds up to and including \$100, annual minimum \$5; bonds over \$100, minimum \$10. Heretofore the minimum for both classes has been \$10.

Bonds for receivers and trustees in bankruptcy for use of federal bankruptcy courts show a change in minimum earned premium to the effect that where a temporary fiduciary is succeeded by a permanent fiduciary, the earned premium on the temporary fiduciary's bond may be computed pro rata except where the trustee and receiver are the same, in which event the minimum earned premium on each bond of \$200 or less is \$2.50 and for each bond over \$200, \$5.

The section on page 40 of the manual governing judicial and probate bonds has been substantially rewritten, this section covering one or more bonded fiduciaries acting jointly with a non-bonded trust company. The substitution is, "Eighty percent of the regular first and renewal premium. For two such individual fiduciaries: each giving separate bond, 40 percent for each; for

each one of three, 33 1/3 percent; for each one of four or more, 25 percent." The old rates were 30 percent, 25 percent and 20 percent respectively.

An annual premium of 2 percent on the amount of judgment, with annual minimum premium \$10, has been set for appeal bonds on supersedeas or stay of execution where the judgment is for a sum of money. The rate used to be \$10 per \$1,000 on the amount of the bond.

This is not applicable to New York State or Virginia.

Cleveland Surety Club Elects

CLEVELAND, Nov. 9.—The Surety Club of Cleveland at the annual meeting elected these officers: President, H. S. Frank, Aetna Casualty; vice-president, V. L. Foxwell, U. S. F. & G.; secretary, F. G. Merrill, Alliance Casualty; executive committee, J. M. Hannon, Evarts-Tremaine-Flicker Co.; H. F. Gee, Commercial Casualty, and Ralph Dusseau, Great American Indemnity.

There was a general discussion on the

blue sky law of Ohio, depository bonds, contract bonds and other forms. The club's present membership is about 30.

Commercial Business Sold

The Dixie-Atlas-Republic of Campbellsville, Ky., has disposed of its commercial accident and health business to the Inter-Ocean Casualty of Cincinnati. The business of the company was located largely in the south and is being handled by O. L. De Lozier from Atlanta. For some time, Mr. De Lozier was handling the business from the Inter-Ocean office in Cincinnati but has now returned to Atlanta.

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The Abstract or Survey Plan of selling is constantly winning new business for Central Agents. Expert comparison of a client's present insurance with his actual requirements reveals, in almost every case, weaknesses that result in the sale of new and needed protection.

This Company is a pioneer in developing and advocating the Abstract Plan. Its book, "How to Abstract a Client's Insurance," is one of the most complete, practical and understandable "how-to-do-it" outlines of the subject that has been published.

Central Agents, equipped with this complete instruction manual and supplied with our Abstract Forms, are regularly increasing their sales through this appreciated underwriting service. Let us tell you more about it.

ABSTRACT FORMS
A FULL LINE OF ADVERTISING FOLDERS THAT SELL
CALENDAR
Full Bail and Release of Attachment
POLICY "LEADERS" THAT ANTICIPATE INSURANCE NEEDS

CONSTANT "SERVICES THAT SELL"

CAPITAL ASSETS
\$1,000,000 \$4,286,989

SURPLUS \$1,831,836
TO POLICYHOLDERS

CENTRAL SURETY AND INSURANCE CORPORATION

KANSAS CITY

MISSOURI

DENNIS HUDSON, President

CHANGES IN CASUALTY FIELD

Joins Associated Companies

L. L. Noonan Leaves American Casualty to Become New Jersey and Pennsylvania Manager

NEWARK, Nov. 9.—Lawrence L. Noonan, for nearly nine years resident manager of the American Casualty in New Jersey with headquarters in Newark, has resigned effective Dec. 1. He has been appointed manager for New Jersey and Pennsylvania for the Associated Indemnity and Associated Fire & Marine of California, with headquarters in Newark.

Mr. Noonan has been in the insurance field for nearly 20 years, starting with the Commercial Casualty in Newark. He held various positions with the company in New Jersey and was for a short time manager of its branch office in Baltimore.

He was with the Commercial Casualty six years, resigning to become treasurer of the E. W. McDonough Co., Newark local agency, with which he was

connected for about five years, going from that post to the American Casualty.

Freiberger Goes to Pittsburgh

K. F. Freiberger, who recently was the Ohio field representative of the Massachusetts Bonding and prior to that with the American Surety for eight years, has gone to Pittsburgh with the Liberty Mutual and United Mutual Fire, both of Boston. Mr. Freiberger has been making his headquarters at Mansfield, O. His new address will be in the Grant building at Pittsburgh.

J. R. Pool Transferred

J. R. Pool, formerly special agent for the Hartford Steam Boiler at New Orleans, traveling in Mississippi, has been transferred to Baltimore and is now traveling Virginia out of that city.

DeBar with Continental Casualty

Harry DeBar, formerly assistant manager in the Chicago branch office of the Commercial Casualty has joined the

home office agency staff of the Continental Casualty. He was formerly with the Travelers in both Chicago and St. Louis.

F. H. Finnen in New Post

Frank H. Finnen has joined the Los Angeles branch office of the Rolph, Landis & Ellis general agency, in charge of casualty and surety production in the metropolitan district of Los Angeles. He was originally a company man but for the past three years has operated a local agency in Los Angeles under his own name.

Rexford Crewe With Lloyds

Rexford Crewe has resigned as assistant vice-president of the Fireman's Fund Indemnity to become manager of the New York City metropolitan department of the Lloyds Insurance Company. He will have charge of the brokers and agents of the Lloyds Casualty, the Constitution Indemnity and the Detroit Fidelity & Surety, which have now been merged in one company. The office is at 81 William street, New York.

M. J. Hebor has resigned as special agent at Los Angeles for the Swett & Crawford general agency to join the R. L. Heinsch general agency of Los Angeles in the casualty and surety department.

Casualty Company Activities

Has Public Relations Work

J. S. Phillips Takes Charge of This Department in All the Great American Companies

In order to have uniformity in the Great American Fire group, President W. H. Koop, who has been chairman of the board of the Great American Indemnity, becomes president of that company as he is of the other companies in the fleet except the North Carolina Home, he still remaining chairman of that institution. J. S. Phillips, president of the Great American Indemnity, becomes chairman of the board of that company. He has been elected a vice-president of the Great American Fire, American Alliance and Rochester American.

In this new alignment the management desires to take advantage of Mr. Phillips' broad experience in public life and political affairs. He will be the representative of the Great American group in all public relations. He was formerly New York insurance superintendent and later general manager of the National Bureau of Casualty & Surety Underwriters. He has a wide acquaintance with state superintendents of insurance and other state officials that have to do with insurance activities. It is stated that he will continue to be the spokesman for the Great American Indemnity in the various organizations of which he is a member. Mr. Phillips was a member of the New York legislature before being appointed insurance superintendent. There will be no general reorganization of policy or personnel so far as the Great American Indemnity is concerned.

Employers Reinsurance Figures

KANSAS CITY, MO., Nov. 9.—The Employers Reinsurance has declared its regular quarterly dividend of 40 cents a share. Earnings the first nine months were greater than for the same period last year, totaling \$523,540 against \$508,774. Of this amount \$245,374 was from investments and the remainder from underwriting.

Surplus Sept. 30 on the basis of actual market value of securities, was \$1,493,920, an increase of approximately \$465,000 since June 30.

Insurance Securities Active

The Insurance Securities Company, which controls the Union Indemnity of New Orleans and affiliated companies, has voted to amend its charter to change its capital structure so that it will now consist of 4,000,000 shares of \$1 par value common stock and 2,000,000 shares of \$1 par value convertible preferred stock. It will now sell \$2,000,000 of stock and will be added to the surplus of the Union Indemnity.

REPORT BARNES IS FACTOR

NEW ORLEANS, Nov. 9.—It is stated here that the \$2,000,000 increase in the capital of the Insurance Securities Company is being financed by a group in New York, headed by Julius H. Barnes, chairman of the board of directors of the Missouri State Life, who are also prominent factors in the Lloyds Insurance Company and other companies.

Kentucky Action Deferred

FRANKFORT, KY., Nov. 9.—The Kentucky workmen's compensation board did not hold its meeting scheduled for Nov. 1, and there will probably not be a meeting until Nov. 15 at which a decision on the application for an increase in rates is expected.

The Bankers Indemnity has earned an enviable reputation for efficient service, careful management and financial strength.



BANKERS INDEMNITY INSURANCE COMPANY

Newark, New Jersey

One of the American Group

Workmen's Compensation

Endorsement Is Sent Out

National Compensation Council Secures Approval in Oklahoma of Important Legal Expedient

The new endorsement authorized by the National Council on Compensation Insurance, for use in states where laws permit employees to sue the carriers directly, has been sent out. It was unanimously approved by the Oklahoma insurance board.

There are few states that do not have statutes requiring that the fact of injury on a risk be kept entirely away from a jury. In fact, in the great majority of states any such intimation received by the jury by direct testimony or innuendo of the plaintiff's attorney is sufficient ground for a finding of error. In a few states, however, such as in Oklahoma, the companies have been face to face with the situation in which they were brought directly into litigation, with the certainty that juries would find for a larger amount than if they did not know insurance was involved or if the judgment were merely against an employer. The endorsement was drafted in an effort to correct this evil, and although it is said not completely to eliminate it, does improve the company's position in such cases.

Phraseology of Endorsement

The endorsement reads: "The company's liability to any employee of this employer shall be no greater than the liability of this employer to said employee, and in the event any claim or proceeding is brought against the company alone, or jointly with this employer, the company shall be entitled to the same defenses and shall have no greater liability than this employer would have if such claim or proceeding had been brought against his employer alone, anything in the policy to the contrary notwithstanding. However, the company, if otherwise liable as above provided, shall not be relieved of the payment of the compensation for injuries, sustained if this employer becomes insolvent or is discharged in bankruptcy during the period that the policy is in operation and the compensation, or any part of it, is due and unpaid. The employee or his dependents shall have the first lien upon any amount becoming due on account of such policy to this employer from the company."

The matter of changing eligibility requirements of the experience rating plan and clarifying classifications requested by the National Council of the Oklahoma Insurance Board was deferred until Nov. 15.

Oklahoma Agents Back of Compensation Law Change

OKLAHOMA CITY, Nov. 9.—Giving district courts jurisdiction to review on appeal evidence taken by the state industrial commission in passing on workmen's compensation claims, and limiting to two years reopening of compensation cases, are two points that will be stressed in bills to be introduced in the next legislature, which will receive the support of the Oklahoma Association of Insurers, it was decided at a special meeting of the executive committee here.

Tentative drafts of bills embracing provisions have been prepared and probably will not be put in final shape until shortly before time for the session. The Associated Industries will assist in the movement.

Under the present practice there is

no appeal from decisions of the industrial commission except on questions of law.

Will Discuss Missouri Rates

ST. LOUIS, Nov. 9.—The insurance committee of the St. Louis chamber of commerce will meet Nov. 11 with representatives of the National Bureau of Casualty & Surety Underwriters to discuss the proposed increase in workmen's compensation rates in Missouri. Superintendent Thompson will conduct a public hearing on the proposed new schedules at Jefferson City Nov. 15.

Compensation Practices Criticized

MADISON, WIS., Nov. 9.—The Wisconsin Industrial Commission has issued a critical statement regarding the handling of workmen's compensation business. In spite of the fact that compensation losses and management expenses exceed earned premiums, the commission says the number of compensation writing companies in Wisconsin has more than doubled in the last 15 years. There are 62 companies writing compensation in Wisconsin and only 12 had earned premiums of over \$100,000 last year.

Inasmuch as compensation rates include an allowance for inspection and

Tells Surety Bond Liability

Insurance Attorney Addresses Indianapolis Association of Casualty & Surety Underwriters

INDIANAPOLIS, Nov. 9.—Hugh E. Reynolds of the insurance law firm of Slaymaker, Merrell & Locke, Indianapolis, addressed the Indianapolis Association of Casualty & Surety Underwriters at its regular monthly luncheon Monday, on the effect of recent de-

cision and statutory enactments on underwriting of surety bonds in Indiana. He discussed his subject under five topics: Receivers' bonds, administrators and executors' bonds, guardians' bonds, bank cashiers' bonds and public official bonds. He disclosed many unusual angles of liability in connection with the several bonds discussed and impressed his hearers with the importance of care and close consideration of proposed bond risks with the purpose of discovering unexpected sources of liability.

"The important thing to be borne in mind in executing these bonds is to know that the party for whom you are signing the bond is not under the absolute control of one who is to be benefited by the bond to be executed. Investigation should also be made as to the various statutes pertaining to the particular officer to be bonded or to the work to be performed to see if the liability assumed is so far out of proportion to the premium charge that it would not be good business for the company to assume the hazard by executing the bond," Mr. Reynolds declared.

Performance Counts in Plate Glass Insurance

And in Plate Glass Insurance performance means but one thing—unfailingly prompt Plate Glass Replacements.

This company is foremost in the Chicago plate glass replacement field because it is thoroughly equipped to render replacement service that helps insurance men keep plate glass insurance sold.

That's why more and more of the insurance fraternity insist upon having the American Glass Company handle all plate glass replacements.

AMERICAN GLASS COMPANY

1030-42 North Branch Street
CHICAGO



Auto Premiums in 15 Percent Slump

(CONTINUED FROM PAGE 3)

Cars that have been run for a year or two and insured for but modest amounts do not offer the same fire hazard as new machines, nor are they nearly as appealing to thieves. Apart from Chicago, where theft conditions are scandalous, the stealing of cars has not been the problem to underwriters it was in 1931 and for some years prior thereto. While there is abundant room for improvement in this connection still, companies are grateful for the betterment already attained.

Fire company officials have nothing to complain of in connection with their automobile line this year, and if other divisions of the business were relatively in as good shape executives would be in a happy frame of mind.

Executive Group's Progress Related

(CONTINUED FROM PAGE 3)

a short time the companies would not be faced with the present situation. It would mean less business on the books but more money in the bank.

Reference was made to the formation of a committee to study automatic cancellation of policies for nonpayment of premiums. "That cannot be done," said Mr. Haid. He then repeated his suggestion made at the recent national agents' convention when he recommended the agents start two bank accounts, one containing the premiums collected, and a second to which would be transferred the agents' commissions—with the agents living on the second bank account only. Bankruptcy would be impossible under such a plan, he said.

Wants Justice, Not Privileges

"During the past few months," said Mr. Haid, "the association has been getting together the various forms used by the insurance companies in the various states, in an endeavor later to secure brevity and uniformity and the elimination of all superfluous clauses. Already some 5,000 forms have been filed in 600 different classes."

Finally, the I. E. A. is making a study of the laws, good and bad, affecting insurance in every state. It had never been the policy of the companies to secure remedial legislation. They expect to do that in the future, however.

Therein will lie one of the greatest sources of cooperative effort between companies and fieldmen. "Our business wants no special privileges," said Mr. Haid, "but in certain cases we will ask and demand simple justice. You haven't any conception in New England of what confronts the companies in some of the 'backward' states," he concluded.

Strong Plea by Jackson for Emergency Rate Plan

(CONTINUED FROM PAGE 25)

of their livelihood and not the smaller group of large city agents and brokers who have more of the large premium risks, but even these can profit by the plan in the competitive opportunity it opens up for them, in addition to greatly assisting their companies to continue to live.

Difficulties Not Realized

"The agents' representatives have freely criticized the efforts of the companies and their rating bureaus to reconcile our difficulties, not always fully recognizing, it seems to me, the intricate, technical difficulties in evolving reliable rating data quickly on points at issue, and the further difficulty of securing favorable action thereon from regulating authorities charged likewise with the important interest of their constituents. Furthermore, competitive conditions prevailing among stock companies during the past decade have not been conducive to that accord and united action for common good which the current depression enforces as it has likewise enforced greater efficiency in underwriting and service functions resulting in economies to the benefit of the policyholder.

"In the eyes of the regulating authorities a controversy between the companies and their agents, if it obstructs progress toward immediate and urgently necessary corrections particularly concerning the solvency of companies, becomes detrimental to the interests of the public. Legislative action and the intervention of the functions of the insurance departments may be an early development if these matters are not disposed of cooperatively and in harmony."

In the Nov. 3 issue, in announcing the appointment of an educational director of the Lanphar Agency, of Detroit, this agency was referred to as general agent for the Metropolitan Casualty. The Lanphar agency recently gave up this connection and has been appointed general agent for the Employers Liability.

Important Features Discussed in "F. C. & S. Bulletins" for November

In a five-page discussion of the six-point supplemental contract in the November issue of the "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, distributed this week, it is pointed out that some forms cover fire loss due to riot only under special circumstances. In none of these contracts is the issue definitely and squarely set forth by a specific statement that the contract does cover loss by fire caused directly or indirectly by riot. The intent of most of these contracts seems to be to have the company assume liability for loss by fire caused directly or indirectly by riot which the policy itself excludes. Where the form is used, it should be examined carefully on this point to determine just what the coverage is.

Automobile Policies Discussed

Many automobile policies are made ineffective, says the "Bulletins" in a discussion of passenger trailer to private passenger automobiles, because ex-

penses of oil and gas are shared by those riding with the owner.

Attention is called to the method of safeguarding banks against forgery of receipts given to or by banks for securities that are left with them for safe-keeping.

Restaurant public liability insurance information is brought up to date to accord with late date changes in the manual. Other subjects covered are employer's liability for domestic servants; extending interior robbery to cover just outside the premises; sale of state reporting forms A and B; automatic builders risk form, and department store floater.

The "F. C. & S. Bulletins" in every issue bring both basic and technical selling ideas which are not available from any other source. Recently, two of the largest companies in the United States have used one of the fundamental selling ideas in the "Bulletins" as the basis for survey plans presented to their agents.

ACCIDENT AND HEALTH FIELD

Will Boost Sales Conference

Chicago Accident & Health Club to Devote Meeting Monday Wholly to That Topic

The Accident & Health Insurance Club of Chicago will devote its November meeting, to be held next Monday noon at the Midland Club, entirely to a discussion of plans for making its accident and health sales conference, to be staged in the auditorium of the Insurance Exchange, Nov. 16, an outstanding success. Because of the imminence of the sales conference, it was decided to postpone the address by Dr. J. B. Jack, originally scheduled for this month, to a later meeting.

Big Attendance Expected

Reports received by officers of the club show that great interest is being aroused in the sales conference and an attendance which will tax the capacity of the auditorium is expected. Special interest is being manifested in the open forum to be conducted by C. O. Pauley and E. A. Hauschild, which is expected to be probably the most notable feature of the conference. A large number of questions covering important angles in connection with accident and health underwriting and sales methods have been submitted and will be answered in this forum.

Meeting Set for Dec. 5

The mid-winter meeting of the executive committee of the Health & Accident Underwriters Conference will be held at the Hotel La Salle in Chicago Dec. 5. The present plans call for a meeting of the executive committee in the morning and an executive session in the afternoon open to representatives of all conference companies. These meetings for the last two years have become virtually mid-year sessions of the conference and a very large attendance is expected at the coming meeting. C. W. Ray, Hoosier Casualty, chairman of the executive committee, will preside both at its meeting and at the general session.

Los Angeles Men Feted

The Accident & Health Managers Club of Los Angeles is now in its tenth year, it being the first organization of its kind. President W. E. Lebby gave

a luncheon on Tuesday to General Chairman I. C. Cunningham and members of the various committees. Mr. Lebby is manager of the accident and health department of the Behrendt-Levy Company and Mr. Cunningham is manager of the accident and health department of the Occidental Life in southern California.

PERSONALS

John J. King, president of the Hooper-Holmes Bureau of New York, will celebrate his 65th birthday Nov. 15. He is one of the veterans in his line. His first work in this direction was at Denver. In 1908 he became an inspector for the Mutual Life of New York and in 1912 he joined the Hooper-Holmes Bureau as vice-president. He became president and general manager in March, 1930. Mr. King is largely responsible for the growth of the organization. He is regarded in insurance as one of the great authorities in inspection work.

The Hooper-Holmes Bureau does a country-wide business, maintaining branches in 48 cities and suboffices in 13 others.

R. D. Watkins, 60, president of the Home Beneficial of Richmond, Va. died last week after several weeks' illness. After several years with the Metropolitan Life, he joined with several associates in organizing the Home Beneficial. Mr. Watkins became president and continued to hold that post until his death. The company confined itself to writing of industrial life and sick benefit until 1925 when it added ordinary life. Three of his brothers are in the service of the Home Beneficial. A. J. Watkins is general manager, while J. H. Watkins and L. H. Watkins are field men.

John J. Hall, director of the street and highway safety division of the National Bureau of Casualty & Surety Underwriters, will address the Tennessee Association of Insurance Agents at its annual meeting in Nashville this week. Following that he will attend the mid-winter conference of the American commission of the American Legion in Indianapolis, speaking on "Community Safety."

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CASUALTY AND BOND COURSE

Takes Mystery Out Of All Casualty Lines — Explains Coverage And Gives Sales Pointers — Revised to Date



You Receive These 25 Lessons

1. Basic Principles of Public Liability.
2. Automobile Public Liability, Property Damage and Collision.
3. Manufacturers' Public Liability.
4. Contractors' Public Liability.
5. Contractors' Protective (Contingent) Public Liability.
6. Owners' Protective (Contingent) Public Liability.
7. Theatre Public Liability.
8. Owners', Landlords' and Tenants' Public Liability.
9. Residence and Farm Public Liability.
10. Teams' Public Liability.
11. Elevator Public Liability.
12. Accident and Health.
Part A—Accident and Health Policies, Selection of Risks, Applications, Prospects.
Part B—Salesmanship.
13. Workmen's Compensation.
14. Plate Glass.
15. Messenger and Office (Store) Robbery.
16. Paymaster Robbery.
17. Bank Burglary and Robbery.
18. Bankers' Blanket Bonds.
19. Mercantile Safe Burglary.
20. Open Stock Burglary.
21. Residence Burglary & Theft —Personal Hold-up.
22. Boiler, Including U. & O.
23. Engine & Fly Wheel, Including U. & O.
24. Electrical Machinery, Including U. & O.
25. Bonds—Fidelity and Surety.
Part A—Introduction.
Part B—Fidelity Bonds.
Part C—Contract Bonds.
Part D—Fiduciary Bonds.
Part E—Court Bonds.
Part F—Public Official Bonds.
Part G—Depository Bonds.
Part H—License and Permit Bonds.
Part I—Miscellaneous Bonds.

The first requirement for a job in a field or office is a thorough knowledge and understanding of the immediate work to be done. But promotion and broader opportunity come only to those who prepare themselves mentally to take in more territory. The Casualty and Bond Underwriting Course issued by The National Underwriter Company can aid the man who wants to do his present work better and who wants to fit himself for a more important position.

The office man who prepares himself to understand the problems of the man in the field is preparing himself to make other than routine decisions in the office. The Casualty and Bond Course gives a complete outline of contract coverage, methods of premium calculation, errors to guard against in underwriting and selling these lines. There are 850 pages in the course. It is indexed for reference purposes.

IN CONSTANT USE

About two years ago I subscribed to your Casualty Correspondence Course and derived a tremendous amount of good from it. I have used the lessons on many occasions to brush up on certain points and value the booklets highly as references.

C. F. LOCKYER, Los Angeles, Calif.

Two or three years ago, the writer subscribed to your Sales Training Course in Casualty and Bond Underwriting and I have endeavored since that time to keep the various pamphlets handy. This course is prepared in such a clear, understandable way that I believe it should be subscribed to by all parties in any way connected with Casualty and Surety.

P. L. GEDNEY, Minneapolis, Minn.

Our men are showing a great deal of interest in this course and I feel that already they have derived a great deal of benefit from it.

DANA J. LOWD, Buffalo, N. Y.

I have found it very instructive and profitable and I want to congratulate you upon getting together such a splendid set of lessons.

PHILIP W. DOWNS, Omaha, Nebr.

USE THIS ORDER FORM TODAY

THE NATIONAL UNDERWRITER COMPANY,
420 E. Fourth St., Cincinnati, Ohio.

Gentlemen—I want the most complete casualty and bond course available. Enclosed is \$5.00 and I will pay \$5.00 a month for the following four months.

I am to be furnished the complete Series of lessons and quiz for each lesson; and my written answers are to be carefully gone over by you, corrected and definite suggestions are to be given me for the improvement of myself in my selling of Insurance.

Your Manager

Nameor Gen'l Agent.....

Street Address

City and State.....

Date

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HAS BEEN—
IS—
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AN INDISPENSABLE
PART OF SAFE AND
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PROVIDED FOR CASUALTY
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**EMPLOYERS
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E. G. TRIMBLE, President